

Empowering your future



ANNUAL REPORT 2022



To live each and every day in peace.

This is what you want.

To live in good health and spirits when the day comes
around together with family you love and friends you trust.

This is simply what you want.

Life happens, however.

Sometimes it is rainy and sometimes it is windy.

We believe that, when life happens,
the only thing that can support you is,
after all, a human like you.

We believe that it is a human that is able to see your heart
and tell what you think,
what you want and what you want to be.

And we believe that this ability is the most important thing
for our job, and cultivating it is the only way
to enhance the quality of our job.

Your sense of security can be enhanced even more.

We, Sumitomo Life,

wish more than anything to empower your future.



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Editorial Policy

This is an English translation of the Japanese version of the Integrated Report. This document has been translated from a part of the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail. We have issued this booklet to convey financial information as well as sustainability and other non-financial information in a format that is easy-to-understand so that our stakeholders are able to gain a deeper understanding of our efforts. Please note that this booklet is an explanatory booklet made available for public inspection (explanatory document on business and property status) prepared based on Article 111 of the Insurance Business Act and disclosure standards set forth by the Life Insurance Association of Japan.

Covering:

Period: April 1, 2021 to March 31, 2022
(Some activities performed on or after April 1, 2022 are covered.)
Organizations: Sumitomo Life Insurance Company and its subsidiaries and associates

Issued in:

July 2022(the Japanese version)

Guidelines We Consulted:

- International <IR> Framework, International Integrated Reporting Council (IIRC)
- Guidance for Collaborative Value Creation, Ministry of Economy, Trade and Industry
- GRI Sustainability Reporting Standards, Global Reporting Initiative (GRI)

Purpose of Sumitomo Life

(Purpose: Reason for Existence)

Contribute to the advancement of social and public welfare



Sumitomo Life lists this purpose as Article 1 of the “Management Policy,” which is its corporate philosophy.

To support customers’ lives and contribute to the customers and society through life insurance business.

It is what Sumitomo Life has continued ceaselessly to do since its founding. Sumitomo’s Business Philosophy, which includes “*Jiri-rita, koushi-ichinyo,*” or “Benefit self and benefit others, private and public interests are one and the same,” which tells you to benefit society as well as yourself, has been passed down constantly over the past 100 years and courses through the “Management Policy.”

In addition, the philosophy makes it possible to solve social issues and increase corporate value at the same time and brings about sustainability of the Company as well as that of customers and society.

With this purpose, and with SUMITOMO LIFE Vitality as its core product, the Company has contributed to the realization of “well-being for all”.



Top Message

We aim for a sustainable future together with our customers and society by contributing to the realization of a society with “well-being for all.”



Yukinori Takada
President & Chief Executive Officer

01 | “100-year lifespan.” Looking toward a sustainable future

The theme of “100-year lifespan” is a major challenge faced not only by the life insurance industry but by Japan as well. With the increase in the average life expectancy of the population, how can we go beyond traditional services to be there to provide support for people as they live their lives? It seems to me that, in this respect in particular, the true value of life insurance companies is being put to the test.

In Japan, one of the world’s leading countries in terms of life expectancy, there is a gap of about 9 years for men and about 12 years for women between the average life expectancy and the “healthy life expectancy,” which is the number of years a person can be expected to live without assistance. We can equate the extension of “healthy life expectancy”—extending the period during which people can do the things they want to do without help from others—to enhancing the quality of life. In addition to working toward extending average life expectancy, we must also take on the challenge of extending healthy life expectancy.

Japan has a generous social security system known as universal health insurance. For this system to be sustainable, however, it is imperative that people understand how it works and how they can help themselves, and take action. With this in mind, we are promoting social security consulting. We believe that our role in supporting the future of each of our customers will become more important—not only in terms of financial preparedness, but also mental and physical health and mitigation of the risks associated with longevity.

Despite pervading uncertainty resulting from the pandemic, the world’s attention is shifting toward medium- and long-term issues such as the construction of a sustainable society, including how to contribute to the realization of the SDGs*¹ by 2030 and carbon neutrality*² by 2050. In this context, the life insurance business—a long-lived business model—needs to address these issues from a longer-term perspective, and establish a solid presence with the aim of contributing to the resolution of global issues.

Having considered the business environment, we established a new Sustainability Management Policy in May 2022. The genesis of this initiative was the recognition that, in addition to our corporate social responsibility to stakeholders as set forth in the previous CSR Management Policy, how a company should take responsibility for society and for the future is being called into question more than ever. We have also positioned our Sustainability Management Policy as our mission to be fulfilled in accordance with our corporate purpose of contributing to the advancement of social and public welfare. In line with this, we have launched initiatives to contribute to the realization of a sustainable future together with our customers and society, aiming to “contribute to the realization of a society of affluence, vitality, health and longevity,” and “contribute to the realization of sustainable society and grow sustainably” by “contributing to well-being for all.”

*1 The SDGs (Sustainable Development Goals) are international development goals adopted at the United Nations Summit in 2015 for the period up to 2030, and comprise 17 goals and 169 targets.

*2 Carbon neutrality means to balance the emission and absorption of greenhouse gases (GHGs)—including carbon dioxide—to achieve net zero emissions. Sumitomo Life declared its aim of achieving net zero GHG emissions by 2050.

02 | Further spread of “well-being for all”

Sumitomo Life Insurance—which celebrated its 115th anniversary this year—is required to work on how to adapt to the changes in society in the future and how we can deliver services that satisfy the needs of each individual customer by grasping major trends such as population decline, the declining birthrate, and the aging of the population. As its goal, the Company has put forth the concept of “well-being for all.” Although we feel that the world has gradually come to recognize this term in recent years, people still don’t fully understand the value of “well-being.” To this end, we are striving to establish the brand “Sumitomo Life = the well-being company” and to realize a society of well-being through the provision of value that only Sumitomo Life can offer.

First, over the past year, we have been implementing measures of having staff members think about what well-being means to them with the aim of spreading and establishing the concept within the Company. Through the “100-year Lifespan Support Council,”^{*3} we also provided education based on the concept of gerontology^{*4}. As a result, there has been major improvement in the understanding, as a process of well-being, of “not doing anything special, but making small contributions through contact with customers and local residents in our daily lives and in our economic and social activities.”

In fiscal year 2022, the next step is “Dialogue and Action” to promote further understanding among employees through dialogue, while appealing to them to have an active dialogue with customers and society, and take action.

There are two major initiatives that we are undertaking to realize well-being. One is our effort to offer our customers a broader range of choices. Recently, customers’ preferences for insurance have tended to polarize into two types: the type with solid consulting and extensive follow-up, and the type that keeps things as simple as possible. It is becoming increasingly important to deliver insurance products and services that accurately respond to these diversifying preferences.

The other initiative is our effort to provide a range of services through collaboration with external entities. In order to provide multifaceted services that support “well-being for all”, Sumitomo Life is not working alone, but is collaborating with various companies, local governments, and academic institutions to establish an ecosystem called WaaS^{*5}.

Growing “SUMITOMO LIFE Vitality” Membership to Achieve Customer Well-Being

In 2018, we launched “SUMITOMO LIFE Vitality^{*6}” as a core product to support the concept, “well-being for all,” and thanks to everyone’s support, we reached one million policies in fiscal year 2021. Currently, we are considering ways to further improve “SUMITOMO LIFE Vitality” and provide value for well-being with the aim of reaching the next major milestone. In a survey of our members, we have discovered that nearly 90% of them have already taken action and are enjoying both physical and mental benefits. This is one major success we have achieved. Our next goal is to reach 5 million policies, and we expect that we can effect more change on society if we support the health promotion activities of about 5% of the target population in Japan.

^{*3} See p. 23 “Efforts in 100-year Lifespan Support”

^{*4} Gerontology is an academic discipline focused on the ways people spend their retirement years and various issues in an aging society from a wide range of perspectives.

^{*5} WaaS (Well-being as a Service) is an ecosystem of services that support “well-being for all,” centered on SUMITOMO LIFE Vitality.

See p. 28 “Expanding Well-being as a Service (WaaS).”

^{*6} SUMITOMO LIFE Vitality consists of an insurance policy and a Vitality Wellness Program contract. In addition to the insurance coverage, the policy incorporates a mechanism that evaluates the customer’s daily health enhancement activity and adjusts premiums according to the customer’s status.

See p. 26 “Value of SUMITOMO LIFE Vitality and Health.”

As part of this effort, we are currently promoting the Vitality Wellness Program as a stand-alone offering. What was initially a combination of insurance and Vitality Wellness Program can now be offered more easily and widely as a stand-alone program. By making the experience of Vitality Wellness Program an easy part of daily life, "SUMITOMO LIFE Vitality" can be made more accessible to the public. Currently, we are receiving requests from companies to use the system as a benefit program and from local governments to provide the system to local residents, and we will respond firmly to these needs.

In addition, we offer the "Vitality Health Report*7," which allows for ongoing management of checkup results and understanding of relative evaluations, based on submitted information on health checkups. The goal is to provide feedback to customers on the data accumulated through the SUMITOMO LIFE Vitality app, which will lead to further health promotion and prevention.

As for sales activities, it is currently difficult to make real contacts due to the COVID-19 and other factors, while at the same time, customers are finding it difficult to make decisions about insurance-related information overflowing on the Internet.

One solution to this challenge is the use of digital. Due to the unusual nature of insurance products, it is difficult for customers to understand them only digitally, so we would like to contribute to the realization of customer well-being by providing services that "fuse human and digital." For example, communication with customers using LINE WORKS (Japanese social media), which was introduced the year before last, has been successful. Customers appreciate that they can "communicate with the person in charge at the time they want to talk" in a



non-contact setting. In August 2021, we opened the third Vitality Plaza outlet in Ginza, Tokyo, as a place where customers can experience "SUMITOMO LIFE Vitality" in real life. This July, we launched a new outlet in Umeda, Osaka, and are promoting the creation of customer contact points that fuse the digital and real worlds.

Strengthening External Collaboration to Increase the Value of Well-Being

As important initiatives for this fiscal year and beyond, we are working on "how to provide value to customers and society" and "how to concretize and develop well-being" in collaboration with external parties, utilizing the core of "SUMITOMO LIFE Vitality"

*7  See p. 27 "Provision of Vitality Health Report"

to not only speed up collaboration with companies and local governments, but also to address research areas such as “what health means” and “what a better social environment means.” To this end, we are promoting multifaceted collaboration with startup companies and various research institutions, and through the “SUMISEI INNOVATION FUND,” a CVC fund*⁸ launched in November 2020, we will continue to accelerate business co-creation and establish a WaaS ecosystem.

In the small-amount and short-term insurance field, which provides coverage in niche areas, we made AIARU Small Amount & Short Term Insurance a subsidiary in 2019, but there has also been a series of entries into this field by major companies, and each



company is trying to provide a variety of services. In AIARU Small Amount & Short Term Insurance, we have already sold the industry’s first “PFC-FD Insurance”*⁹ covering biotherapy costs (locomotor organs) in collaboration with CellSource Co., Ltd. in FY2021 and the industry’s first “Heatstroke Insurance” in April 2022 through the PayPay app, and we will continue to actively trial new services and value offerings in the future.

03 | Aiming to create value through the fusion of human and digital

Sumitomo Life Insurance currently has approximately 40,000 employees and was once known as a “human and paper company.” We are now a “human and digital company,” but in any case, nothing is possible without human.

In the future, it will be necessary to further diversify human resources and increase the value of human resources, but this problem cannot be solved solely by the human resources department, which is why I established the “Human Capital Development Headquarters”*¹⁰ headed by myself when I became president. In promoting “human capital development”, in addition to realizing the well-being of customers and society, it is also important to realize the well-being of employees, and we feel that our efforts over the past year to integrate our business strategy and human capital strategy with respect to how to instill well-being within the Company are beginning to show results.


For example, as one of the investments in human resources to promote well-being, we have provided all employees with an “allowance that contributes to

*8 CVC (Corporate Venture Capital) is a mechanism to efficiently and effectively promote business co-creation through investment in promising start-ups.

 See p. 30 “Challenge to Innovation.”

*9 Developed in February 2022, this insurance covers PFC-FD therapy, a biotherapy used to treat sports injuries and osteoarthritis, and has been introduced to professional soccer clubs and other athlete groups.

*10 In April 2021, a cross-divisional organization under the direct control of the President, the Human Capital Development Headquarters, was established and has begun to study medium- to long-term strategies to create “human resources” capable of creating new value.

 See p. 25 “Efforts in Human Capital Development.”

well-being” and doubled the amount of subsidies for external training and courses to support self-improvement. Owing to such initiatives, employees have voluntarily begun to take on challenges.

We also have personnel policies for each segment of employees, such as seniors, younger generation, and women.

For seniors, we extended the retirement age to 65 years old in April, and have launched initiatives to encourage them to focus on areas in which they excel. For example, we have designated the month of April at age 60 as the “third induction,” an opportunity to come together to reflect on our careers to date and make a fresh start. By taking this opportunity to share the significance of “matching once again what you want to do and what you can do, not only to contribute to the Company, but also to contribute to your own 100 years of age,” everyone is working hard at their duties with high morale. For the younger generation, we have introduced a personnel system that, beginning with general career positions for new hires in FY2022, will assign them to regional offices in accordance with their preferences so that we can better understand each individual’s career image and maximize their abilities and skills as a member of society immediately after they join the Company. In order to promote the advancement of women, we are currently on pace to achieve our target of 50% women in management positions by the end of FY2025, and we have appointed a dedicated officer to promote “Diversity, Equity & Inclusion,”*¹¹ which adds the concept of equity to enable each individual to demonstrate performance, not just to be in a managerial position.

In addition, we provide a full menu of training programs to enable all employees to acquire three skills outside of their own work: digital skills, global skills, and social skills.

As the “era of VUCA”*¹² has been described, the future is difficult to predict, but this is precisely why it is important to have a culture that is not afraid of failure, but is willing to take on challenges and create new value. Since 2020, we have been conducting an in-house competition titled “Sumisei Innovation Challenge”*¹³ in which employees are invited to propose their own new business ideas. Proposals adopted here are carried out by the person who raised the idea after moving to the relevant department, and as a result, new business ideas are steadily sprouting.

04 | DX strategy for business transformation

Digitizing initiatives are generally categorized as “digitization” and “digital transformation (DX).” “Digitization” is the process of replacing paper-based procedures with digital procedures to enhance convenience and speed. Motivated by the pandemic, we are quickly moving to digitalize the process of applying for new policies and claiming benefits. We have established a system that allows us to accomplish everything from proposal to benefits and other payments digitally. Currently, about 90% of applications for new policies—such as insurance enrollment—and about 50% of eligible claims for benefits are being processed digitally.

Regarding the other DX, we believe that a major initiative going forward will be how to leverage data obtained from customers and link it to insurance

*11  See p. 65 “Diversity, Equity & Inclusion.”

*12 VUCA (Volatility, Uncertainty, Complexity, and Ambiguity) describes situations in which the future is challenging to predict.

*13  See p. 30 “Challenge to Innovation.”

products and insurance-related programs and services.

Traditionally, insurance products have been developed based on vast amounts of disease and mortality data, but from now on, we intend to place emphasis not only on this, but also on the use of such data for “well-being” to provide better insurance to prepare for the future, and in the future, to provide services that can encourage efforts toward further health promotion, including disease prediction and prevention, for our subscribers. Furthermore, if we can change society for the better by doing so, we will be able to achieve true business transformation. This concept is known as “CSV = Creating Shared Value*14.”

05 | Contributing to resolving social issues and sustainably enhancing corporate value

Fiscal year 2021 was a year in which we took concrete steps toward the penetration of well-being. This is the final year of our three-year Medium-Term Business Plan. We are on pace to achieve most of our

goals, including the number of customers and annualized premiums from policies in force. In FY2022 as well, while continuously handling COVID-19, we will work toward becoming an “indispensable insurance company” by supporting our customers with “human and digital” and contributing to well-being.


Moreover, for the new Medium-Term Business Plan that will start in fiscal year 2023, we are engaged in comprehensive discussions from the starting point of what we should accomplish toward our medium- to long-term vision and how long the plan needs to be in place to achieve it, rather than adhering to the standard three-year plan.

We are responsible for the stable, profitable investment of insurance premiums entrusted to us by our customers. At the same time, as an institutional investor with assets totaling over 30 trillion yen in value, we are required to contribute to the realization of a sustainable society over the medium to long term from the perspective of responsible investment*15.

Moreover, as part of our sustainability management, we have declared our intent to achieve carbon neutrality by 2050 and announced an interim

Items	Results as of March 2022	Targets for March 2023
Number of Customers (Policies in Force)*16	14.36 million policies	14.00 million policies
Annualized Premiums from Policies in Force*16	JPY 2,340.7 bn	JPY 2,310.0 bn
Of which, Living Benefits + Medical Coverage and others*16	JPY 620.2 bn	JPY 610.0 bn
Core Business Profit (Domestic Business)*16	2-year total JPY 659.3 bn	3-year total JPY 901.0 bn
Core Business Profit (Overseas Operation)*17	2-year total JPY 71.9 bn	3-year total JPY 103.0 bn

*14 CSV is an acronym for “Creating Shared Value,” meaning that we address social issues in our core business to resolve those issues while at the same time enhancing corporate value.

 See p. 43 “CSV Project”

*15 ESG investment and stewardship activities are collectively referred to as “responsible investment.”

 See p. 38 “Responsible Investment Initiatives.”

*16 Cumulative total of Sumitomo Life and Medicare Life Insurance. The number of customers (number of policies in force) is the number of individual life insurance and individual annuities, and including products provided by our business alliance partners (Mitsui Sumitomo Insurance, NN Life, and Sony Life).

*17 Cumulative total of overseas operations (Symetra Financial Corporation, etc.).

target for 2030. I believe, however, that we need to reassess the sufficiency of the speed at which we're currently progressing. At the same time, we must also review how quickly we and our group companies should reduce CO₂ emissions. Since it is also important to work together globally to achieve a decarbonized society, we became the first Japanese life insurer to join the Partnership for Carbon Accounting Financials (PCAF) in September 2021, and in October we joined the international initiative for Net-Zero Asset Owner Alliance (AOA) which aims to achieve net-zero by 2050. I would like us to be actively involved in this large-scale effort to help move society in a better direction through responsible investment.

The Sumitomo Group has a common spirit of "Jiri-rita, koushi-ichinyo," or "Benefit self and benefit others, private and public interests are one and the same." This is the spirit that it is important to benefit others as well as ourselves, and that public and private should be one and the same. Our recently established Sustainability Management Policy is based on this very spirit. The most important thing is that this is not a mere declaration or policy, but a mission that all executives and employees must fulfill and continue to act on. From this perspective, we will continue to do our utmost to resolve social issues and enhance corporate value in an integrated manner toward the realization of a sustainable future.

Please refer to SUMITOMO LIFE ANNUAL REPORT 2022 for more detailed information.

Handling of COVID-19 infections

■ Payment of insurance claims and benefits

- In cases where the customer is hospitalized or dies as a result of COVID-19, we pay hospitalization benefits for illness or (disaster) death benefits.
- In cases where a patient cannot be hospitalized due to circumstances at a medical institution and is being treated at a place other than a medical institution (deemed hospitalization), or where a doctor makes a positive diagnosis without conducting a PCR test based on the results of an antigen test, the infection status of a family member living with the patient and clinical symptoms such as fever (deemed positive), hospitalization benefits are paid upon submission of a certificate from a public health center, etc. regarding the treatment and recuperation period.
- Widespread distribution of information on the website and through the activities of sales staff that hospitalization, etc. due to COVID-19 infection—including deemed hospitalization and deemed positive—are eligible for payment of hospitalization benefits for illness.

■ Implementation of special treatment of insurance policies, etc.

- Extension of grace periods in relation to payment of insurance premiums, allowable omission of some documents required for insurance claims, etc.

■ Provision/explanation of supplementary services

- Providing "24-hour telephone health medical consultation service"*¹⁸ for the "Sumisei Health Consultation Dial,"*¹⁸ which is available to policyholders, insured persons, and their family members of Sumitomo Life Insurance's predetermined products, and the "Employee Assistance Program Service" for organizations.

■ Number of cases of payment and payment amount as of March 31, 2022 (figures for Sumitomo Life parent only)

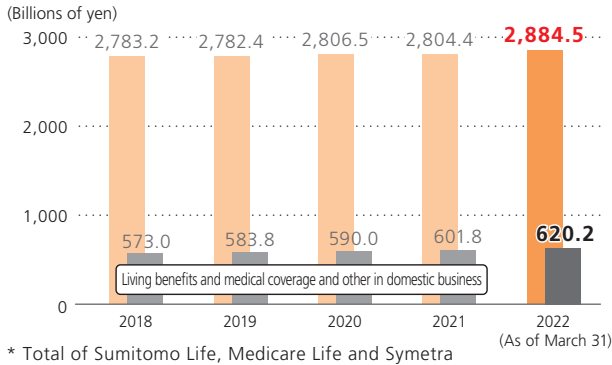
Death benefits		Hospitalization benefits			
Number	Amount	Number	Amount		
			Of which, deemed hospitalization	Of which, deemed hospitalization	
1,645	JPY 11.5 bn	90,294	80,688	JPY 11.3 bn	JPY 9.6 bn

*Amounts are rounded down to the nearest 10 thousand yen.

*18 This is a service provided by T-PEC Corporation, a subcontractor, and is not an insurance policy or service provided by Sumitomo Life Insurance Company.

Financial and Non-financial Highlights

Group Annualized Premiums from Policies in Force



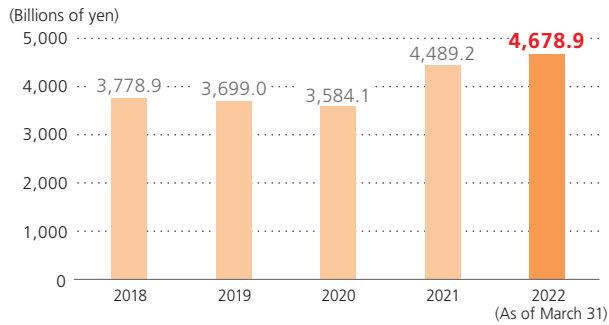
Annualized premiums from policies in force for the Group as of March 31, 2022 amounted to ¥2,884.5 billion. Annualized premiums from policies in force for living benefits + medical coverage and other (total of two domestic entities), which we focus on as one of the growth areas, increased 3.1% compared to the end of the previous fiscal year to ¥620.2 billion, growing steadily for nineteen consecutive years since we started to publish such figures.

We believe that these are the results of our effort to offer insurance products and services through multiple channels, including sales representatives, bancassurance-banks, financial institutions, etc. and insurance outlets while responding to the changing social environment and diversifying customer needs.



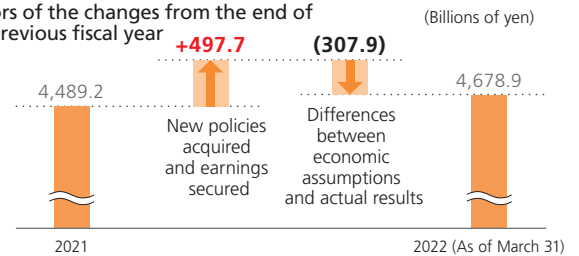
Annualized premiums from policies in force is an indicator obtained by computing premiums of each policy in force on an annual basis and adding them all up.

European Embedded Value (EEV)



The Sumitomo Life Group's EEV increased by ¥189.7 billion compared to the end of the previous fiscal year due to the positive results of the insurance business such as new policies acquired and earnings secured from policies in force, despite the negative impact of rising overseas interest rates and other factors.

Factors of the changes from the end of the previous fiscal year

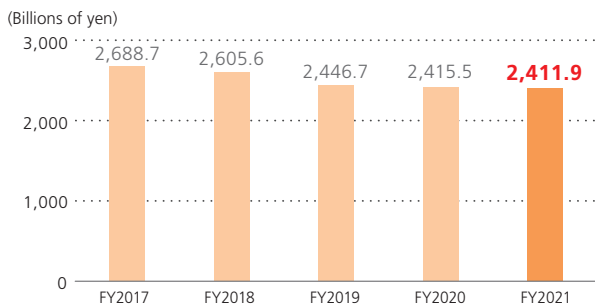


* The EEV of the Sumitomo Life Group is calculated as follows: Sumitomo Life's EEV plus Medicare Life's EEV and Symetra's EEV attributable to Sumitomo Life's equity stake in each company, less Sumitomo Life's book value of equity of Medicare Life and Symetra.



European Embedded Value (EEV) is an indicator of corporate value of an insurance company and shows such things as financial soundness and growth potential of the company.

Consolidated Insurance Premiums and Other

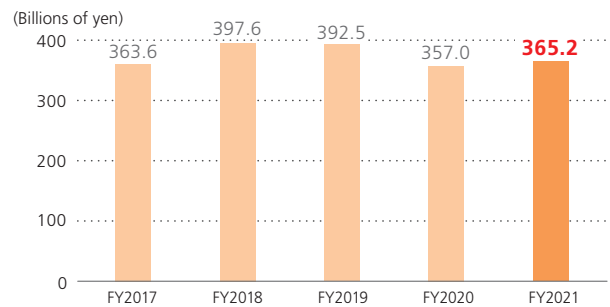


Consolidated insurance premiums and other declined at Sumitomo Life primarily due to a decrease in sales of individual annuities insurance but remained at the same level as the previous year at the Group as a whole, including Medicare Life and overseas operations (Symetra).



Insurance premiums and other consist largely of insurance premiums paid in by policyholders and reinsurance revenue, and account for the majority of our income.

Group Core Business Profit



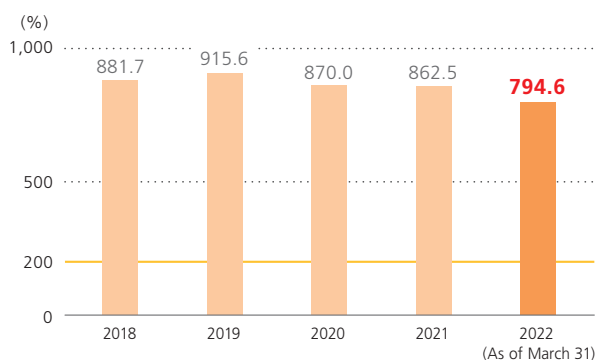
* Calculated by combining core business profit of Sumitomo Life and Medicare Life, and profit before tax of Symetra, Baoviet Holdings, BNI Life, Singlife Holdings and PICC Life attributable to Sumitomo Life's equity stake in each company, with adjustments made to some internal transactions. Including profit before tax of Singlife Holdings generated after Sumitomo Life's investment in it (Period covered in FY2019: July 2019 to December 2019).

The group core business profit increased by 2.3% compared to the previous year mainly due to an increase in dividend income on domestic stocks and an increase in interest income on foreign bonds owing to the depreciation of Japanese yen at Sumitomo Life.



Core business profit is an indicator that shows the status of basic profit or loss for a period that is comprised of insurance-related revenue and expenses, including insurance premiums income and payment of insurance claims and operating expenses, and investment-related revenue and expenses consisting largely of interest and dividend income.

Consolidated Solvency Margin Ratio



Consolidated solvency margin ratio stood at 794.6%, demonstrating that we have adequate payment capability.



The solvency margin ratio is an indicator that shows the capability of an insurance company to pay insurance claims (soundness) in the wake of an event that cannot normally be predicted, such as a big disaster or a stock market crash. If this figure falls below 200%, the insurance company will be subject to a business improvement order by a supervisory authority.

Customer Satisfaction

Result of Customer Satisfaction in FY2021

Satisfaction - General	Satisfaction - By Scene		
	At the enrollment of an insurance	After the enrollment of an insurance	At the payment of claims and benefits
89.8%	95.9%	92.9%	96.4%

We take customer feedback by conducting a general survey of all customers and a timely transaction survey of customers who have completed a certain transaction.

Engagement Survey

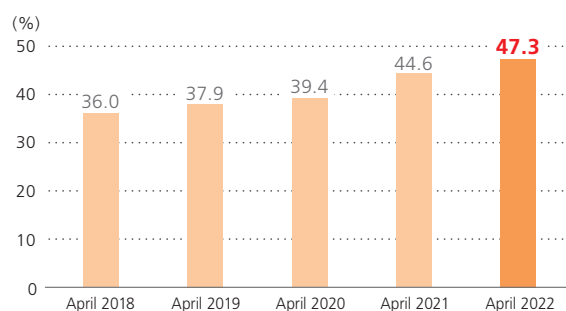
Results of the Engagement Survey in FY2021

Employee engagement score	Environment for active employee participation
63.0%	72.0%

In FY2021, we introduced the Engagement Survey to understand the engagement status of each and every employee that works for the Company and use it in the PDCA cycle to improve engagement.

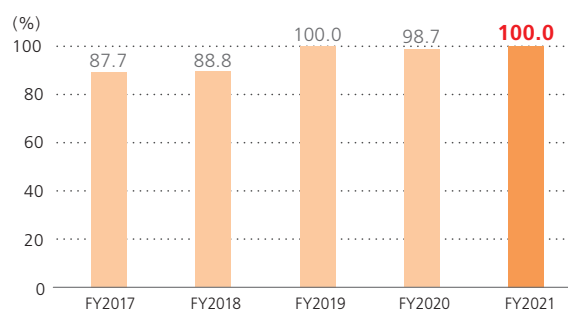
* "Engagement" in the context of our human capital efforts refers to an employee's affection for the Company and satisfaction with his/her job. "The engagement score" is a figure to indicate the level of engagement from multiple perspectives and a ratio of employees who have chosen a favorable response ("Strongly agree" or "Agree") in a survey with a scale of one to five.

Ratio of Female Managers



We are making steady progress toward our goal of achieving a ratio of female managers of 50% at the end of FY2025.

Ratio of Male Employees Who Took Childcare Leave



In FY2021, we achieved a ratio of male employees that took childcare leave of 100%, making steady progress toward creating a comfortable working environment for all employees.

Sumitomo Life Value Creation Process

Financial capital

Consolidated total assets
¥42.9 trillion

Consolidated solvency margin ratio
794.6%

Status of credit rating

S&P Global (S&P) Insurer financial strength rating
A+

Moody's Investors Service (Moody's) Insurance financial strength rating
A1

Rating and Investment Information (R&I) Insurance claims paying ability rating
AA-

Japan Credit Rating Agency (JCR) Ability to pay insurance claims rating
AA-

Human capital

Number of employees
45,336 (Non-consolidated)

Among which, number of sales representatives
34,664 (Non-consolidated)

Social capital

Number of customers (number of policies in force)
Approx. 14.36 million policies

* Aggregate number of policies in force of Sumitomo Life and Medicare Life, including products provided by our business alliance partners

Claims, annuities, benefits
Approx. 4.83 million cases
Approx. ¥1,258.4 billion

* Non-consolidated results of Sumitomo Life for fiscal 2021

Management environment

Changes in social structure

- Declining population, declining birthrate and aging society
- Changes in healthcare services
- Diversification of consumer consciousness

Digital Transformation (DX)

- Digital transformation
- Utilization of personal data
- Shift to online communities

Changes in industrial society

- Work style reform and productivity enhancement
- Changes in positioning of workplaces and stores
- Inter-industry collaborations and entry from other industries
- Spread of cashless transactions

Business Overview of Sumitomo Life Group

Life designers (sales representatives)

📖 p. 46

Bancassurance-Banks, Financial institutions, etc. and Insurance Outlets

📖 p. 50

Empowering your future

SUMITOMO LIFE

Contribute to the advancement of social and public welfare

Products and services

📖 p. 60

Overseas operations

📖 p. 56

Asset management

📖 p. 54

Management base supporting business

Corporate Governance
📖 p. 72

Compliance
📖 p. 85

Risk Management
📖 p. 88

Sumitomo Life Operating Policy 📖 p. 18

Through the sound operation and development of the insurance business, Sumitomo Life will contribute to the realization of a society of affluence, vitality, health and longevity.

Guided by our purpose of contributing to the advancement of social and public welfare, we contribute to the realization of a sustainable society through the honest business operations and efforts to solve social and environmental issues, and aim to be a company that is trusted and supported by our customers and other stakeholders, and grows sustainably and stably.

Offering value to stakeholders

Sound Operations of the Insurance Business



Customers



Society

Efforts to Resolve Social and Environmental Issues



Society

Creating a Company that Continues to Grow



The Company and Its Employees

Collaboration with Stakeholders



Customers



Society



The Company and Its Employees

To contribute to “well-being for all”

To realize a society of affluence, vitality, health and longevity and a sustainable society

Carry out initiatives under the Sumitomo Life Medium-Term Business Plan 2022

p.42

Value Creation History

Sumitomo Life has continued to support customers' lives and contribute to the customers and society through its life insurance business.

1907 Foundation

Sumitomo Life born with the aspiration to "create an ideal life insurance company."

In 1907, Toshiyuki Okamoto, who had been working as the Chief Medical Director of the Japan Branch Office of New York Life Insurance Company, which had expanded its business in Japan, had doubts about the current trends in the insurance industry and established Hinode Life Insurance Co., Ltd. based on his aspiration to "create an ideal life insurance company."

Hinode Life always adhered to sound company management that entailed putting the security of company management and the interests of its policyholders first. It was called as "a diamond of the industry," though it was small in its size at the time, for its superior business results, including a record of retained earnings in the first year of its founding.



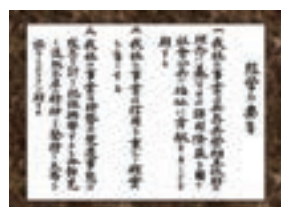
Head office building of Hinode Life Insurance Co., Ltd.

1947 Second Foundation

Restarted as "Kokumin Life" and contributed to Japan's recovery from the post-war turmoil

In September 1947, Sumitomo Life changed its name to Kokumin Life Insurance Co. and took a new start. However, the number of life insurance policyholders declined sharply due to the war, and extreme inflation made the pre-war policies become almost worthless and lose their credibility, making Kokumin Life's start a tough one.

Six years of American occupation of Japan ended in 1952, and in June 1952, Kokumin Life changed its name back to Sumitomo Life Insurance Company. To "Sumitomo's Business Philosophy," which we had adhered to, we added a philosophy that was suitable for the new era to establish the "Management Policy," which is still guiding principles of the Company's business management today.



Management Policy

2007 100th Anniversary of Foundation

Promoted CSR management toward the realization of a society of affluence, vitality and longevity

In 2007, Sumitomo Life celebrated its 100th anniversary of foundation. The notion of what it means to serve as an "ideal company" has shifted significantly in the eyes of our stakeholders amid dramatic changes in the environment surrounding the life insurance industry, including deregulation allowing for mutual entry into the life and non-life insurance fields through subsidiaries and a full lifting of the ban that had been imposed on banks selling insurance products over the counter.

When marking our 100th anniversary, we positioned our corporate philosophy, the "Management Policy," as the roots of our CSR, which are to be passed down through the ages. We accordingly drew up our "CSR Management Policy" reflecting the principles flowing through the "Management Policy" to serve as our vision for an ideal company which we aspire to be.

Underlying Sumitomo Life's CSR is its traditional ethos that we have consistently passed down to this day, our "spirit of trust, certainty and public interest."

History of Development of Products to Contribute to Society

February 1996
▶ V Guard

Covers five serious chronic diseases!



Claims will be paid in the event of severe hypertension, severe diabetes, chronic renal failure, liver cirrhosis or chronic pancreatitis, as well as death or severe disability.

* We released its successor product, LiV Guard, in October 2015. Since then we have not accepted any new contracts for V Guard.

April 2005
▶ Senkyakubanrai

For those who had given up the hope of purchasing insurance due to health concerns



If you do not say yes to any of the five disclosure questions, you can purchase the insurance. Even if your existing condition recurs or is aggravated and you get hospitalized or undergo a surgery, we will pay the claim. In addition, both medical and mortality coverage will last a lifetime.

From 2011
Deployment of a New Brand Strategy

**Formulated brand vision:
Empowering
your future**

Since 2011, we have deployed a new brand strategy, expressing the determination of our founder to “create an ideal life insurance company” in the message of “empowering your future.” With the advent of a super-aging society and diversifying customer needs, we positioned the 2010s as a “decade to empower the future” and launched our brand vision to symbolize it.

We organized and summarized what Sumitomo Life is aiming to be and what kind of values we are going to offer to our customers, and condensed them as Four Advanced Values. The vision we have of a “new ideal life insurance company” is that of a company which demonstrates Sumitomo Life’s strengths: ability to protect tradition and pursue innovation, creates “something new” in the insurance world one after another and delivers them to its customers ahead of anyone else with all its heart.

Realization of these four values is also a challenge for Sumitomo Life to become a company that is more attractive to customers and society, and a company in which employees are even more proud of their involvement in its tasks.

From 2022
Sustainability Management Policy

**Ensure sustainability of
the Company as well as that
of customers and society**

In 2022, in order to promote the concept of sustainability in management, we reviewed our “CSR Management Policy” and established the “Sustainability Management Policy” as the mission that Sumitomo Life must fulfill.

The question we have now is how to solve the various issues that society faces, such as achieving the SDGs by 2030 and realizing carbon neutrality by 2050, while increasing corporate value over the medium to long term.

It shares a common ground with “*Jiri-rita, koushi-ichinyo,*” or “Benefit self and benefit others, private and public interests are one and the same,” Sumitomo’s Business Philosophy that tells you to benefit society as well as yourself.

As a company that aspires to contribute to well-being, what should we do for customers and their families and what can we do for society and the global environment?

In order to ensure sustainability of the Company as well as that of customers and society, we are going to contribute to “well-being for all” and aim for realization of a “society of affluence, vitality, health and longevity” and a “sustainable society.”

November 2007
▶ Long-term cancer support rider

**Support with
long-term cancer
treatment and
living expenses!**



When you have been diagnosed as having cancer and being in a predetermined condition which cannot be cured or improved, you can request an advance payment of all or part of your death benefits.

October 2015
▶ 1-UP

**Lifestyle insurance
to cover the risk of
becoming unable
to work**



It is an insurance product that enables a customer to live vigorously, which was designed with the concept of protecting the lifestyle of a customer and his/her family and supporting a reintegration into society when he/she has become “unable to work as a result of illness or injury.”

July 2018
▶ SUMITOMO LIFE Vitality

**Insurance with
a new concept of
“covering risks and
reducing risks”**

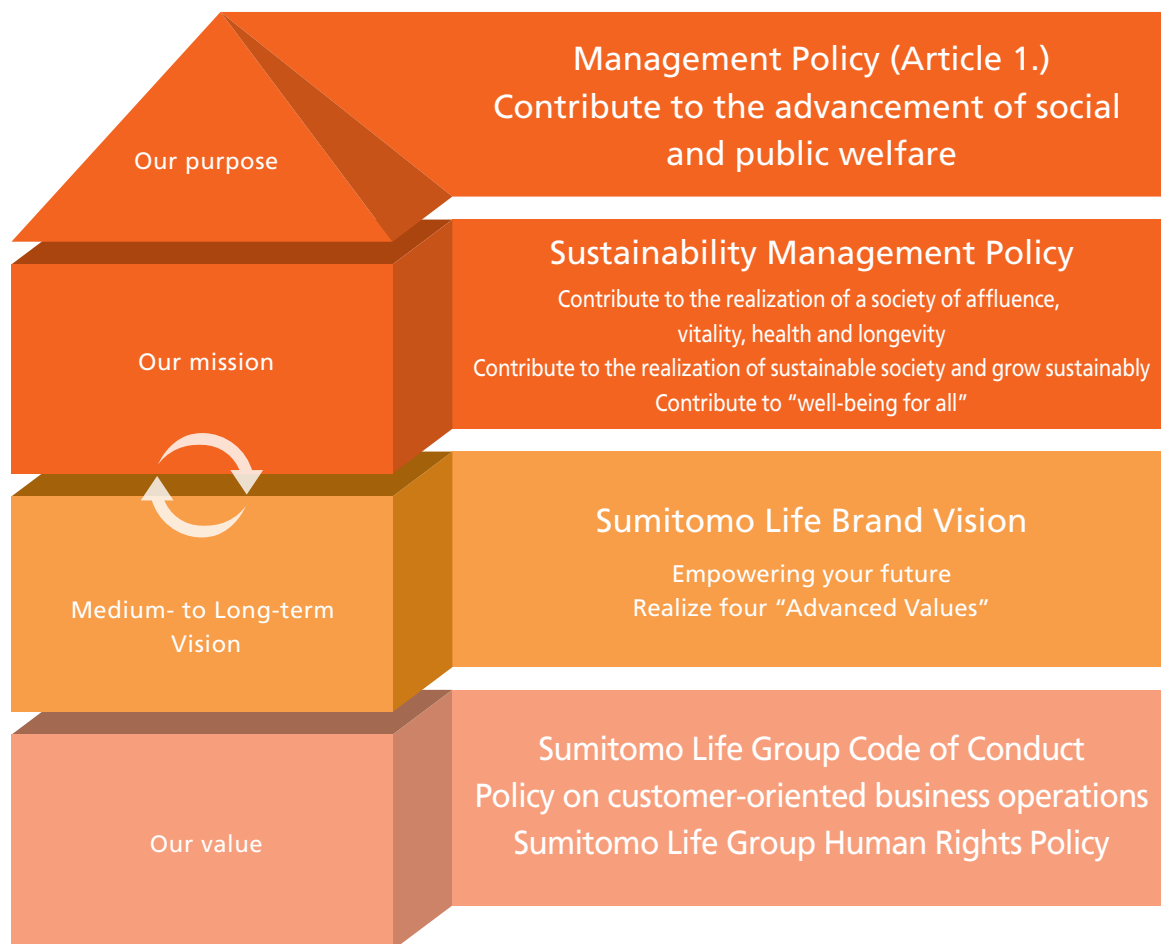


Vitality is a health program that reduces risks themselves through a mechanism that “awards you points for your efforts to evaluate them, such as getting exercise and taking a health check.” Insurance that enhances conventional life insurance with the Vitality Wellness Program. That is SUMITOMO LIFE Vitality. It is insurance with a new concept of “covering risks and reducing risks.”

Sumitomo Life Operating Policy

The Company sets the "Management Policy," which is our corporate philosophy that represents the fundamental spirit of our operations, as the apex, and holds "Sustainability Management Policy," which expresses the universal mission stated in the Management Policy from a sustainability perspective, and the "Sumitomo Life Brand Vision," which characterizes the image of the Company that we aim to become in the medium- to long-term from a customers' perspective, as our operating policy.

The Company has also formulated the "Sumitomo Life Group Code of Conduct," the "Policy on customer-oriented business operations" and the "Sumitomo Life Group Human Rights Policy" as a set of standards, in order to ensure that executives and employees will put the operating policy into practice through their actions.



Purpose of Sumitomo Life

Sumitomo Life presents "contribution to the advancement of social and public welfare" as its purpose in the "Management Policy," which is its corporate philosophy.

We believe that working on social issues and creating corporate value in our core business guided by our philosophy of supporting the lives of customers and their families through the life insurance business and in turn contributing to society as a whole will lead to the realization of the well-being of the society.

Sustainability Management Policy

Sumitomo Life lists in the "Sustainability Management Policy" as follows: "contribution to the realization of a society of health and longevity through the sound operation and development of the insurance business," "contribution to the realization of a sustainable society through the honest business operations and efforts to solve social and environmental issues."

This policy also stipulates, in addition to the sound operation of the insurance business, that we make an effort to solve social and environmental issues, build a company that continues to grow and collaborate with stakeholders.

Guided by this management policy, through contribution to the well-being of customers and employees, we aim to be a company that is trusted and supported by stakeholders, including customers, and grows sustainably and stably.

Deployment of Brand Strategy 2.0

Guided by our operating policy, since 2011, we have deployed a brand strategy which expresses our determination to deliver complete peace of mind to our customers and their families through realization of value that is “unique to Sumitomo Life” in the message of “Empowering your future.” Based on this strategy, we have focused our efforts on offering consulting and other services that present unique human value and contributing to the changes in policyholders’ awareness and behavior toward health and the improvement in their QOL (quality of life) with our revolutionary product, SUMITOMO LIFE Vitality Shared-Value Insurance.

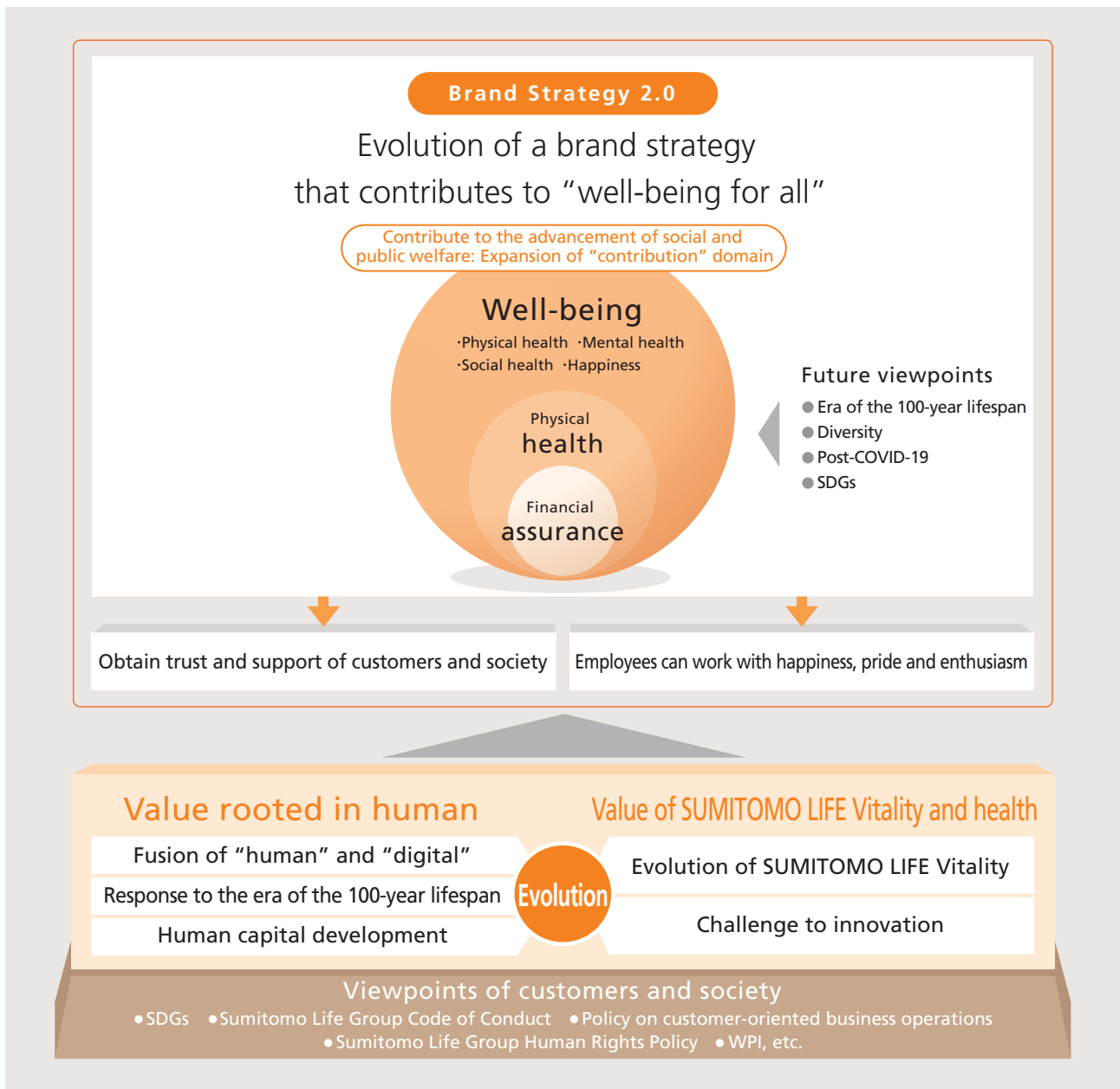
Furthermore, since 2021, ten years from the start of our brand strategy, we have been making an even more advanced effort as Brand Strategy 2.0, which aims to contribute to “well-being for all” by further refining “value rooted in human” while utilizing “digital technology.”

The vision Sumitomo Life pursues with “well-being for all” upheld as its objective is a company which continues to stay close to the “daily life of customers,” which is unique to

each and every one of them, by further expanding the domain of our “contribution to the advancement of social and public welfare” presented as our purpose to include not only financial assurance and physical health but also such aspects as mental and social health.

Achieving that vision will involve establishing an ecosystem of services that supports “well-being for all” by offering SUMITOMO LIFE Vitality as a core of its services, achieving further evolution of SUMITOMO LIFE Vitality and taking on challenges in new business. In addition, we will offer products and services that are even more closely aligned to customers’ needs by increasing the value customers experience through human and digital technology, making an effort to meet the needs of the elderly with the era of the 100-year lifespan in mind and working to “develop human capital” to grow those who will take charge of these efforts.

By making an effort rooted in the CSV philosophy and the concept of sustainability, we will aim to be an “indispensable life insurance company” that contributes to “well-being for all.”



Value Rooted in Human

In order to deliver life insurance, a product that is not visible, with security and trust, we will be making an effort to increase the “value rooted in human” of each and every employee. Furthermore, we are going to contribute to “well-being for all” driven by both “human” and “digital technology” by utilizing digital technology as a tool to increase the value rooted in human.

► Fusion of “Human” and “Digital”

Establishing a new approach to sales

In light of the diversified needs of the customers for communication methods, we will utilize “human” and “digital technology” to attend to each and every customer in a way that is aligned to their request by promoting the use of digital tools, such as LINE WORKS (Japanese social media) and Zoom.

In employees education as well, we are working to improve their consulting skills aligned to the changes in environment by offering training using digital tools and utilizing “Cloud Campus” (S-TUBE, an educational application for self-study and self-learning) to create learning opportunities that are time- and location-independent.

In addition, in January 2021, we made a system available in which customers can apply for plans designed by our sales representatives on their own smartphone, tablet or personal computer.

Furthermore, in March 2022, we added to the system a function to allow customers to upload images of their checkup results and identification documents and a screen for them to enter their detailed answers to health disclosure questions, in an attempt to increase convenience by making the whole application process paperless.

Through these measures, we will continue to provide value rooted in human, just like we have, even in the era of the new normal.



Establishment of the EX Support Center

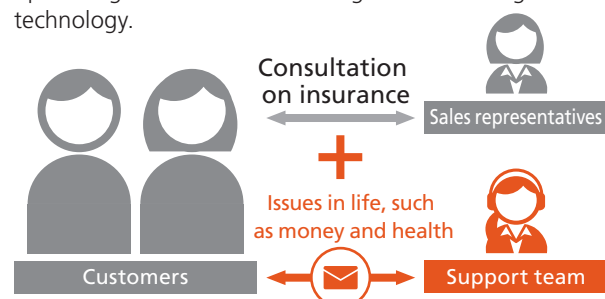
With the aim of offering “follow-through services through multiple channels,” we started in July 2020 at some Branch Offices to gradually roll out our effort to follow up on customers from the Head Office as well by drawing on digital technology in addition to our sales representatives.

To be specific, we have established the “EX* Support Center” in our Head Office, from which we regularly provide customers with information aligned to their interests and concerns through email and other methods and take inquiries from customers as well by email and



telephone in an effort to have two-way communication with customers.

In rolling out this service, we are making sure that we attend to our customers with “value rooted in human” delivered by the center and sales representatives, while optimizing communication through the use of digital technology.



* The origin of the name: The name was given in the hope of supporting “excellent experience” of customers. It also stands for excellent, express and expected.

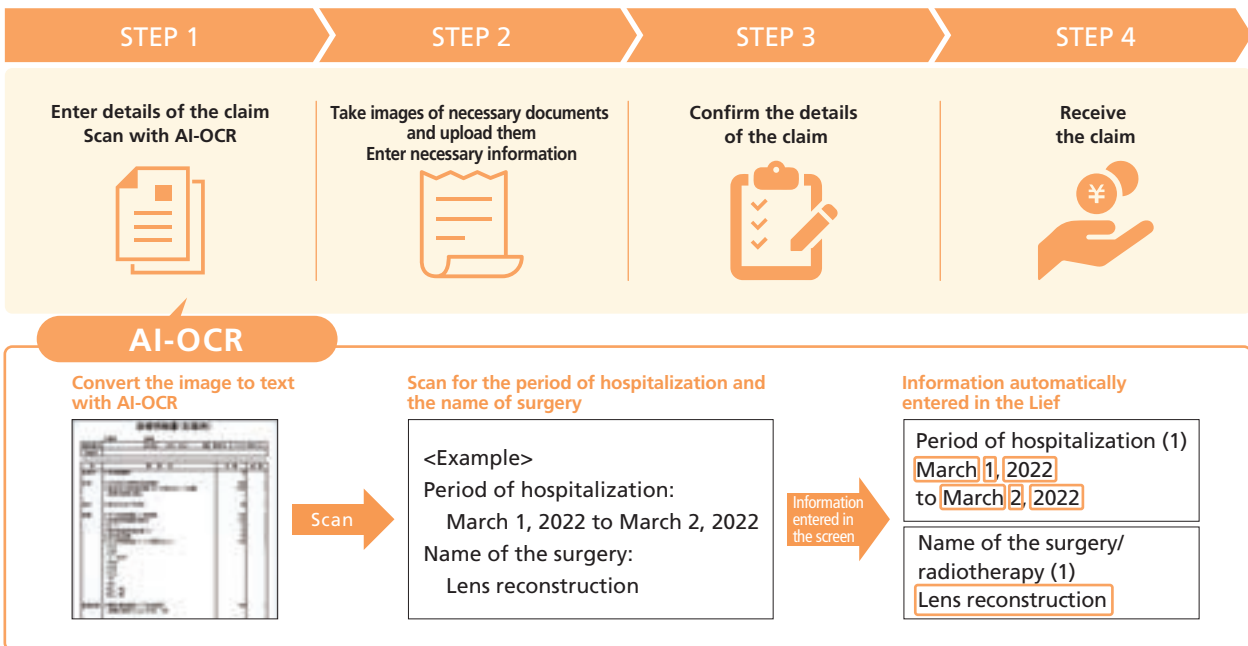
Web-based application service for payment claims

Aiming to further contribute to the well-being of all customers, we started in January 2022 to allow customers to make a payment claim in a digital format. It has made it possible for us to pay a claim faster than before.

This service allows a customer to take an image of his/her medical bill issued by a medical institution with the “Sumisei Lief,” a tablet for our sales representatives, or his/her own device, such as a smartphone, and upload it to our system to complete claim making process online.

In addition, by using AI-OCR (optical character recognition system equipped with artificial intelligence) to scan the image of the medical bill for information, including the period of hospitalization and the name of the surgery, the customer can have the information required for claim making entered automatically in the “Sumisei Lief” or his/her device to make the process less stressful.

We will continue to work to provide highly convenient services that are made possible by the “fusion of human and digital” to be aligned to the changes in the values of customers and the era of the new normal.



Start of life insurance premium payment in PayPay Money (electronic money)

Payment methods are diversifying at an accelerated pace due to digital technology, and people’s awareness is changing dramatically as seen in the spread of mobile payment.

While bank transfer has been a common payment method, an increasing number of people wish to pay in the scenario of their daily life and say, “As I have no plan to go out, I want to pay at home,” for example.

In light of these trends, Sumitomo Life has also responded flexibly to diversifying needs and started in April 2022 to allow customers to pay the initial premium for our Five-Year Savings Whole Life Insurance in PayPay Money to make the process of insurance premium payment stress-free.

We will continue to monitor trends in the society and consider ways to realize more convenient and safer payment methods.

▼ Smartphone screens for insurance premium payment (provided for an illustrative purpose only)





Yukiko Chiba

Executive Officer, General Manager,
100-year Lifespan Support Council

It is our aspiration to support our customers until the end of their lives in the era of the 100-year lifespan through enhanced literacy of our employees.

Generally, the word “aging” tends to be recognized as a negative one. However, if everyone wants to live a long and healthy life, they will inevitably be aging, so this word should be a positive one in nature. That is why I aspire to change the negative manner the word is perceived. When we achieve it, society will certainly transform into a one where everyone can live with vitality.

I started to think that way when I learned about gerontology, a discipline that studies various issues in aging society. As a result of studying old age from diverse academic perspectives, I learned that the negative perception of aging is wrong. An approach to customers based on a wrong perception will end up in offering wrong solutions. I believe that a correct understanding of the elderly is the very thing that will allow us to assist our customers in their independent life planning.

In the meanwhile, there is a need for consulting services that are closely aligned to the need of each customer from the perspective of supplementing social security with self-help in response to the aging society. In this regard, at Sumitomo Life, sales representatives (life designers) take charge of them and promote them vigorously. We are now going to further evolve the system and provide support tailored to each and every customer in light of the diversity of customers.

Sumitomo Life has listed contribution to “well-being for all” as its management strategies. Through facilitating health enhancement with “SUMITOMO LIFE Vitality” and continuing to support further, we are able to constantly contribute to lifelong well-being.

As society ages, I believe that it is becoming extremely important to protect customers in the context of a community, rather than focusing on the relationship between a customer and the Company only. Sumitomo Life is actively pressing forward with collaborations with external parties, including the start of relationship building with Community General

Support Centers, to create a virtuous cycle that leads to our deeper understanding of customers. We believe that we are able to provide customers with suitable information only when we have an adequate understanding obtained through these efforts.

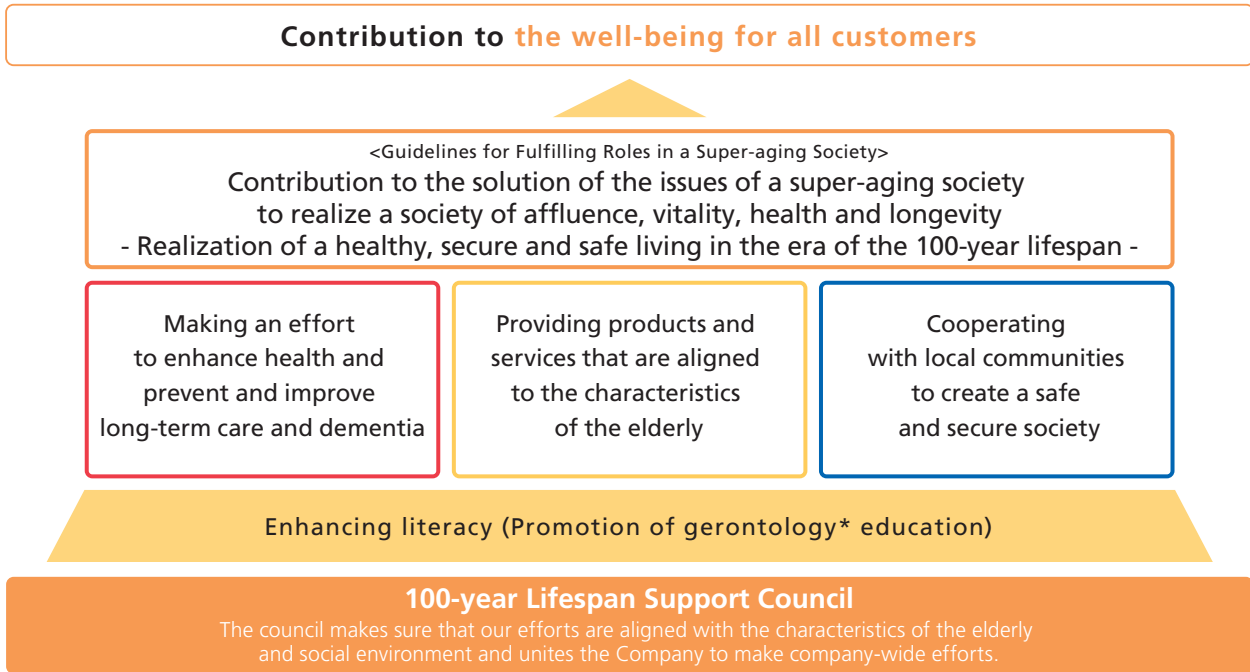
As one form of our efforts, we have created a new booklet called “Senior Life Guide” to reinforce the consulting efforts of our sales representatives. We also have a service called “Well Aging Support - ASUNOEGAO,” which makes a consultation desk available to customers that offers a seamless flow of services related to long-term care, from consultation to introduction of specific services, to increase the opportunities to provide information.

In addition, based on my own experience, I believe that “literacy” will be an important factor in enhancing the system in the future. I believe that the booklet to provide information and other multiple initiatives we planned based on the knowledge of gerontology, for example, have become fuels to drive our business. From that perspective, we encourage our employees to take the Gerontology Examination. Furthermore, we also have trained dementia supporters in order for them to accurately understand dementia.

What well-being means is different from person to person. That is exactly why it is meaningful for our sales representatives to stay close with each customer and coordinate with each community. We are promoting the expansion of Well-being as a Service (WaaS) with a focus on life insurance and providing services that support well-being as an ecosystem. In doing so, our ultimate goal is to stay close to our customers until the end of their lives and provide services that they need in a bundle in the ecosystem. The elderly is merely a conceptual framework, and we believe that what matters is the stance in which a life insurance company faces a life itself.

▶ Efforts in 100-year Lifespan Support

With such changes in the environment as the advent of the era of the 100-year lifespan, diversification of lifestyles and changes in medical services, Sumitomo Life is going to contribute to the well-being for all customers by being united to make a company-wide effort at solving issues of super-aging society through “the 100-year Lifespan Support Council,” which is a cross-departmental organization established in April 2020.



* A discipline involving research in a wide range of fields on how old age is spent, and the various problems of aging societies.

■ Consulting aimed for better life design

We offer “Future Guide,” “Senior Life Guide” and “Things to Know about Dementia,” our information booklets to allow us, together with customers, to think about such matters as health, preparation for old age, nursing care and dementia, and inheritance in the era of the 100-year lifespan. In addition, we utilize “Future of Customer Diagnosis” and “Second Life Consulting,” our consulting tools which allow us to present to a customer his/her income and expenditure in his/her future timeline and simulate what funds might be required in certain eventualities and what funds the customer wishes to set aside to provide for a prosperous old age, to promote consulting to assist customers in the era of the 100-year lifespan.

■ Providing services through Well Aging Support - ASUNOEGAO

In April 2021, we began offering customers throughout Japan Well Aging Support - ASUNOEGAO, an incidental service related to long-term care. We support customers in solving issues related to long-term care, old age, dementia, etc. through consultation over the phone and introduction of services aligned to their concerns.

■ Enhancing internal systems

In order to make sure that all of our employees have accurate knowledge on the elderly and the aging society and are thus able to provide a response closely aligned to customer needs, we encourage the employees to take the Gerontology Examination, host lectures given by external specialists for them, and provide them with various kinds of training.

In addition, we have incorporated a dementia supporter training course into the initial education curriculum for life designers (sales representatives).

■ Participating in the Dementia Barrier-Free Declaration Trial Project

In March 2022, we participated in the Dementia Barrier-Free Declaration Trial Project led by the Japan Dementia Industry-Government Council and announced the “Dementia Barrier-Free Declaration,” to express our determination to realize a society where people with dementia and their families will be able to continue living in their own way in their communities at peace.



■ Building relationships with Community General Support Centers - Cooperation with local communities -

We are promoting relationship building with Community General Support Centers to support customers with impairment of cognitive function and contribute to the creation of a safe social environment. We are working to strengthen cooperation with local communities through involvement in activities to watch out for the vulnerable and participation in local events.

■ Utilization of external expertise in dementia

By participating in an external organizations, such as an industry-academia collaboration project on gerontology led by the University of Tokyo Institute of Gerontology and the Japan Financial Gerontology Institute, we are working to gather the latest information on the issues of the super-aging society.

We have also entered into an advisory agreement with Decision-Making Support Organization Japan, whose representative director is Professor Jin Narumoto of the Department of Psychiatry, Graduate School of Medical Science, Kyoto Prefectural University of Medicine, and drawn on their insights to enhance our services for the elderly.



Hiromi Yamamoto

Executive Officer, Deputy Chief of
Human Capital Development
Headquarters

We aim to achieve the well-being of our customers, society, and employees by fostering a culture in which people grow proactively and interconnectedly and creating an environment in which employees are able to work with enthusiasm.

In order for Sumitomo Life to contribute to the achievement of the well-being of its customers and society, it is important to enhance the “human value” of each and every employee. In addition, we believe that the value will grow even further if we improve our performance as a team rather than as an individual. We have set up the “Human Capital Development Headquarters” with the intention of providing “our human capital,” which is indispensable for us to deliver the value of our insurance products to our customers, with an environment for development in which they will “grow together” with each other, and continuing to do so over a long period of time as one of our management targets. I assumed the position of Deputy Chief of the Human Capital Development Headquarters in April 2022. I share the intention and have been working hard on my daily tasks.

The role of this Headquarters is to formulate medium- to long-term strategies aimed at developing “human capital” that is able to create new value. To that end, we hold repeated discussions with the management and relevant departments to shape our visions as to what our Company’s human capital development should be like now and in future, and have them permeate the Company. In spreading the visions, we are going to create “opportunities” where employees can share their experiences and values with each other in their office and support the creation of a climate for “learning” that will encourage new endeavors. In addition, we are going to make “learning” a permanent part of our culture, rather than a temporary event.

Currently, our social environment is changing rapidly due partly to the progress of globalization and digitalization, as well as the impact of COVID-19. It has become more important than ever to promptly keep up with these changes. Changing the working environment for employees, introduction of telework, for example, is one important action to take. In order to achieve the “well-being of customers, society and employees,” it is necessary to take such action as the one mentioned above to create an environment in which diverse human capital can work with vitality and satisfaction, and enable the Company, organizations and each and every employee to grow

autonomously and proactively. We have positioned development of human capital that creates new value with flexibility and foresight and generate an impact on society as the most important issue in our management strategies and are going to press forward with our efforts.

In its process, new endeavors are always required. That is exactly why I would like our employees to have their own wills and carry them out to their hearts’ content. I also feel that having wills has value in itself. In that respect, “SUMITOMO LIFE Vitality” is a “platform” on which different values can be placed and I believe that it is desirable to place wills of individuals on it as well.

Furthermore, Sumitomo Life is promoting “Diversity, Equity and Inclusion” in order to promote “diversity and inclusion” more effectively by adding to them the concept of “equity,” which means fairness. We aim to offer individual support aligned to the “uniqueness” of each employee rather than just providing uniform support to everyone, increase opportunities for all human capital to talk with each other fairly and respect diverse opinions. As specific human capital measures to achieve these objectives, we have two systems in place: “Task Force Managers” and “In-house Recruitment System.” “Task Force Managers” are means to flexibly form teams in response to changes in society and the market, while “In-house Recruitment System” Open Recruitment is a scheme to transfer employees to the office of their choice through self-recommendation based on their skills and other factors. The Human Capital Development Headquarters also has members who have been assigned to this office through this “In-house Recruitment System.”

I believe that the well-being achieved through these efforts can vary from person to person, and hope that our employees will aim to realize their own well-being first. We will then foster a culture in which people grow proactively and interconnectedly through “human capital development” and work with enthusiasm while respecting and supporting each other, which I am certain will lead to the achievement of the well-being of our customers, society and employees.

▶ Efforts in Human Capital Development

What is essential for contributing to the well-being of customers and society is “human value.”
To enhance “human value,” Sumitomo Life is making various efforts as “human capital development.”



- Establishment of dynamic human capital portfolio
- Diversity, Equity and Inclusion of knowledge and experience
- Reskilling and relearning
- Time- and location- independent work style reform
- Enhancing engagement

Establishment of dynamic human capital portfolio

We have clarified “TO BE (what we aim to be)” and necessary skills and behavior (competencies) of the human capital that is going to implement our management and brand strategies and are working to identify the gap between “TO BE” and “AS IS (current status).”

We will formulate measures necessary to fill the gap that we will have identified and implement them one by one. (See p.64 for details.)

Reskilling and relearning

In order to be a human capital that is able to continuously offer new value in a society and environment that continue to change rapidly, it is important that each and every employee will continue to learn autonomously. In an attempt to see employees working with enthusiasm and satisfaction, or achieve the well-being of employee, we are making various efforts centered on promoting career development and creating an environment that supports learning and growth. (See p.66 for details.)

Enhancing engagement

In order to increase corporate value, it is important that each and every employee is able to continue to work with satisfaction. We are going to strengthen our effort to enhance employee engagement. (See p.68 for details.)

* “Engagement” in the context of human capital efforts refers to an employee’s affection for the Company and satisfaction with his/her job. “The engagement score” is a figure to indicate the level of engagement from multiple perspectives.

Engagement survey results (FY2021)

Employee engagement score	63% (Ratio of favorable responses)
Environment for active employee participation	72% (Ratio of favorable responses)

Diversity, Equity and Inclusion of knowledge and experience

In addition to the efforts we made so far, we have spelled out a new philosophy of “Diversity, Equity and Inclusion” effective of FY2022. We are going to propel our diversity efforts to support active participation of diverse human capital. (See p.65 for details.)

DE&I indicators (FY2021)

Ratio of female managers	47.3%
Ratio of male employees who took childcare leave	100%

Time- and location- independent work style reform

We are working on the WPI (Work Performance Innovation) project to advance work style reform. We will realize a “workplace where employees can work in good health and with enthusiasm” and aim to further increase productivity (performance) throughout the Company. (See p.67 for details.)

Status for FY2021

Reduction in total working hours (compared to 2016)	Reduction of 11.2%
Ratio of employees who took paid leave of at least one day per month	76.7%

Health-focused management

In order for employees to demonstrate their individual abilities to the fullest, it is vital for the employees and their families to value their mental and physical health and maintain their “well-being.” With this understanding, we offer our support to our employees and their families in their active engagement in health maintenance and enhancement activities. (See p.68 for details.)

Status of our efforts toward health-focused management

Ratio of employees who took the regular health check (Primary health check)	100% (FY2021)
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Value of SUMITOMO LIFE Vitality and Health

Traditionally, life insurance has provided customers with “sense of security” through financial assurance. As you look to the future, the field of the “sense of security” will continue to expand. We are going to realize lasting value unique to Sumitomo Life, through developing services centered on “SUMITOMO LIFE Vitality” that will contribute to “well-being for all” in alliance with various partner companies as an ecosystem.

Extending healthy life expectancy - CSV Project -

“Management Policy,” which is our corporate philosophy, tells the importance of gaining an insight into the true nature of things in changing times and situations in order to achieve the goal of contributing to society. As exemplified by the SDGs, social issues in modern society are diversified and complicated. We believe that it is important to assess the impact of these issues, enhance our resilience and proceed with our efforts to solve the issues.

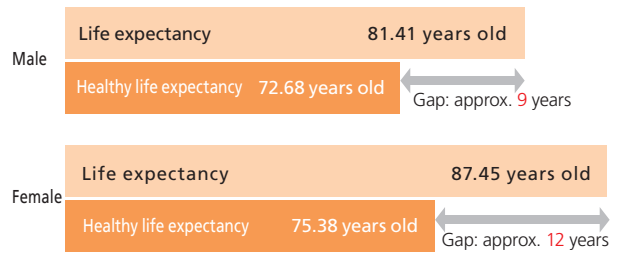
Japan is one of the world’s leading countries in terms of life expectancy. There is a significant gap between its life expectancy and its healthy life expectancy, however, and closing the gap has become a social challenge.

Contributing to the extension of healthy life expectancy is a field in which we should naturally be working, as it is closely connected with our business of life insurance, that intrinsically allows us to have long-term relationships with our customers.

Sumitomo Life is endeavoring to solve the social challenge of extending healthy life expectancy through its efforts to encourage the entire society to enhance health

and promote health-focused management, centering around “SUMITOMO LIFE Vitality” Shared-Value Insurance. We regard these initiatives as our “CSV Project,” (See p. 43 for details) and aim to “extend healthy life expectancy in Japan” by creating a new shared value of health enhancement among “customers,” “society,” and the “Company and our employees.”

Gap between life expectancy and healthy life expectancy



(Source) “The 16th Health Japan 21 (the Second Term) Promotion Expert Committee” (Ministry of Health, Labour and Welfare)

About “SUMITOMO LIFE Vitality”

Launched in July 2018, “SUMITOMO LIFE Vitality” Shared-Value Insurance is a product that incorporates into life insurance the Vitality Wellness Program*1, which supports continuous engagement in health enhancement activities. Besides the coverage that insurance is originally expected to provide, SUMITOMO LIFE Vitality comprehensively evaluates daily health enhancement activities of policyholders, and the policyholders may receive a discount*2 in their insurance premiums depending on their status which is determined based on the annual history of their efforts. Furthermore, SUMITOMO LIFE Vitality supports policyholders in their health enhancement efforts with various rewards such as a

discount in the monthly fees of a gym membership and travel discounts.

“Vitality” was developed by a South African financial services company, Discovery Ltd., and has been offered in South Africa for more than 20 years since 1997. In addition to South Africa, the program is offered in 36 countries and regions, including the UK, the US, China, Singapore, Australia, Germany and Japan, and has approximately 27.1 million members (as of February 28, 2022). Sumitomo Life has entered into an exclusive agreement to provide the program in Japan.

*1 To use the Vitality Wellness Program, a Vitality fee is required in addition to insurance premiums.

*2 Depending on the policyholder’s status, insurance premiums may also be increased.

- ✓ Insurance premiums vary depending on policyholder’s status per evaluation of a policyholder’s health as well as his or her ongoing health enhancement activities.
- ✓ Various rewards that support health enhancement activities
- ✓ Contribute to the reduction of risks themselves associated with illness, etc.

Conventional insurance

- ✓ Insurance premiums are determined based on the health condition at the time of the purchase of the insurance (at a certain point in time)
- ✓ Mainly risk coverage for illness, etc.

Provision of Vitality Health Report

We started on March 24, 2022 to provide the “Vitality Health Report,” that shows a “health score,” which is the risk of hospitalization of a Vitality member quantified based on his or her checkup results submitted to the Vitality Wellness Program, along with such information as his or her ranking in the people of his or her gender and age group.

We are considering evaluating not only the risk of hospitalization but also the risk of individual diseases in the same way in future. Through these services that utilize checkup results and exercise data sent to SUMITOMO LIFE Vitality, we will enhance information we offer and advice we make that are tailored to each individual customer.

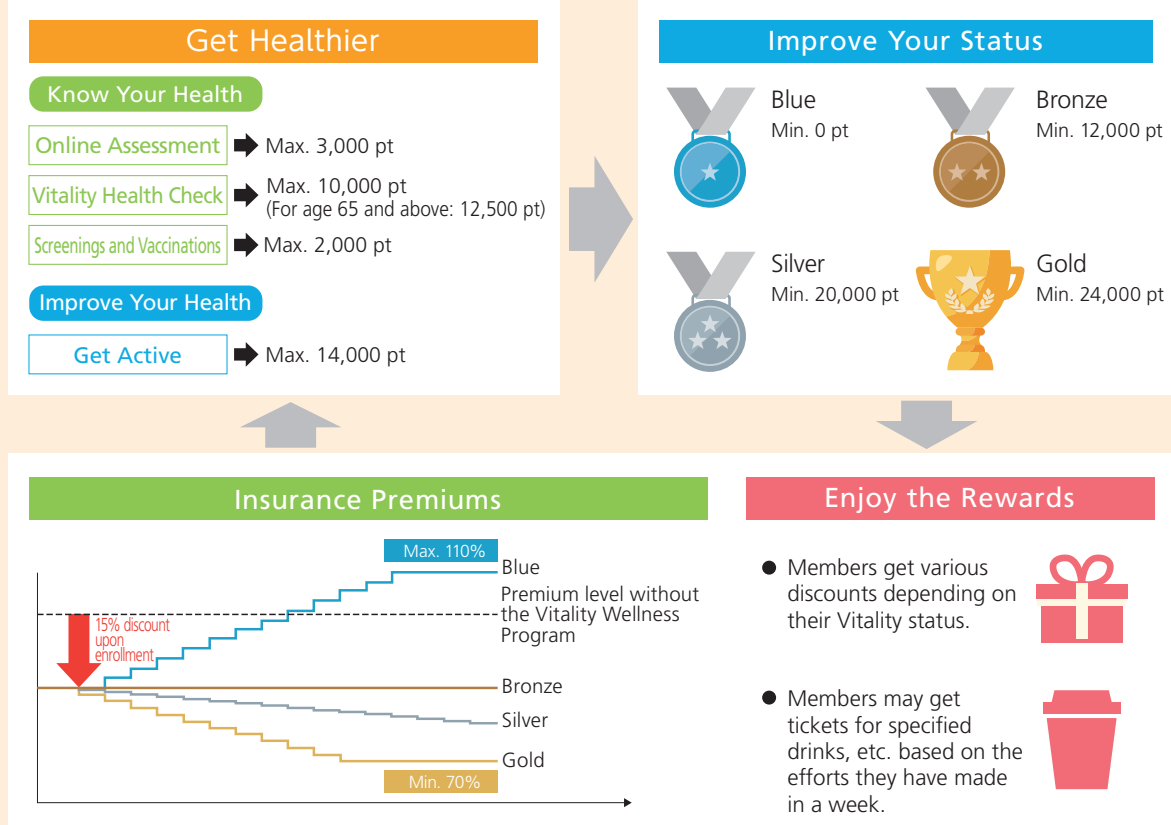
Overview of Functions

- 1 Health score and ranking**
Evaluation of hospitalization risk based on checkup results and ranking in the same gender and same age group
- 2 Checkup results**
Evaluation and historical trends of 5 checkup items* submitted to the Vitality Wellness Program
- 3 One-point summary, etc.**
One-point summary and individual advice for each checkup item

* BMI, blood pressure, blood sugar, LDL cholesterol and urinary protein



“SUMITOMO LIFE Vitality” - How It Works -



▶ Expanding Well-being as a Service (WaaS)

We realize lasting value unique to Sumitomo Life through developing services that support “well-being for all” as an ecosystem. We will also promote it further to expand the field of Well-being as a Service (WaaS).

To be specific, in addition to SUMITOMO LIFE Vitality, which we expect to become a core of WaaS, further promoting the notion of “getting healthier,” we will also keep addressing issues of “illness” and “old age” experienced by all in the era of the 100-year lifespan, which will serve as our trajectory in developing new businesses and services through open innovation. We will develop services that include “Disease Management” services seeking well-being even if subject to illness, “Well-Aging” services seeking well-being as people grow older, and “Wellness Life” services seeking well-being and a positive outlook when encountering various challenges associated with aging.

Sumitomo Life is going to contribute to the realization of “well-being for all” with spiritual, social and financial satisfaction.



Provision of stand-alone Vitality Wellness Program

Since April 2021, we have been offering part of the Vitality Wellness Program (Active Challenge, etc.) for free and for a limited time. The aim is to create opportunities to develop exercise habits during the COVID-19 pandemic, and to enable all customers to experience for themselves the attraction of SUMITOMO LIFE Vitality, without being required to enroll in a life insurance policy.

Currently there are two main patterns of provision. The individual trial version is provided to individuals via sales representatives, while the corporate version is provided to employees as part of our support for companies promoting health-focused management.

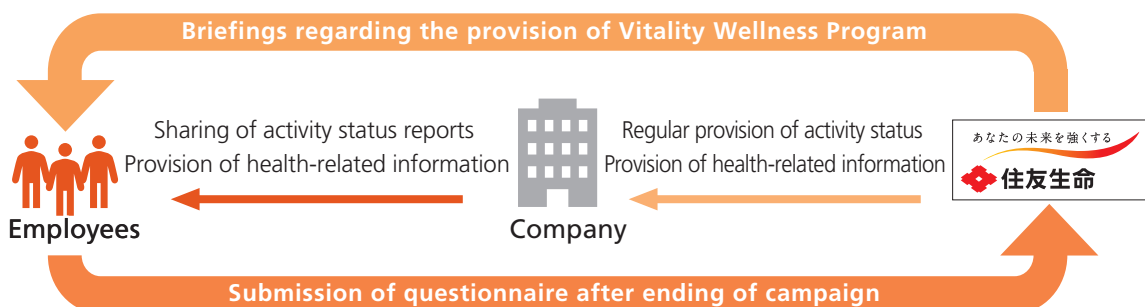
In addition, we are moving forward with projects in partnership with local governments in order to facilitate behavioral changes aimed at improving the health of local residents.

Going forward, we will continue with research and investigations aimed at encouraging customers to make further use of the Vitality Wellness Program as a way of contributing to their health enhancement.

[The Active Challenge system]



Supporting health-focused management by proposing the “SUMITOMO LIFE Vitality” for corporate



We support more effective management through the implementation of briefings and regular provision of information.

Projects utilizing the Vitality Wellness Program (stand-alone provision) - Partnerships with local governments -

We have been working to solve various issues in many fields, such as promoting health, raising cancer awareness, preventing disasters and crimes, supporting the elderly, supporting child raising, achieving SDGs, and revitalizing local communities, in partnership with local governments. We now have started our efforts to enhance the health of local residents and solve issues of local governments (enhancing existing health point programs, eliminating the digital divide among seniors, etc.) through offering a part of Vitality Wellness Program (hereinafter "Vitality") for the first time. We will continue to push forward with our efforts to meet the needs of local residents and local governments.

○ **Yamagata City, Yamagata Prefecture (Yamagata City Vitality Walk)**
We offered "Vitality" to "SUKSK" participants. One of our purposes was to revitalize Yamagata City's health point program "SUKSK." Participants were able to earn points both in "Vitality" and "SUKSK."

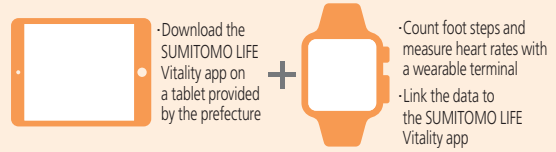
○ **Osaka Smart Senior Life Demonstration Project**
We participated in "Osaka Smart Senior Life Demonstration Project Promotion Council," which was comprised of Osaka Prefecture and private companies. We offered "Vitality" as one of the contents available for seniors. One of our purposes was to eliminate the digital divide among seniors. [See the diagram on the upper right hand corner]

○ **Chigasaki City, Kanagawa Prefecture (Chigasaki Vitality Walk)**
We launched a new health point program using "Vitality" for a limited period of time. Participants who reached the target for their efforts were able to play the lottery to win local products.

*There are cases other than the above in which we offered "Vitality" to citizens. We have also offered "Vitality" to city hall employees.

Efforts in the 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.



Eliminate the digital divide Promote health enhancement activities

Contribution to the improvement of the QOL of residents

<Partnership agreements with local governments>

We work in partnership with 43 prefectures based on agreements, as well as in partnership with many other local governments across Japan, including those of municipalities. In the health field, in particular, we engage in activities that utilize the network of our sales representatives, such as raising awareness of and disseminating information on cancer screening, encouraging people to take the screening, and letting people know about the efforts of local governments to promote health, and aim to contribute to the solution of local issues.

Preconception care

Preconception care is a series of efforts to assist women and couples in dealing with their lives and health and in increasing their chances of having healthy babies, and help women and their future families live healthier lives.

Recently, the number of people who are suffering from infertility is increasing as more people get married and have children later in their life. While the number of people who take infertility treatment while working is also likely to be increasing, many people reportedly quit their jobs or give up infertility treatment because of the difficulties in balancing work and treatment. The importance of preconception care is thus increasing.

We are developing services in the field of preconception care as one of "the Wellness Life" services in WaaS in order to realize "the plan of ideal life" that each person wants. Through these services, we aim to solve the major social challenge of balancing infertility treatment and work, and to curtail the social issue itself by offering support at an early stage to those who wish to have children someday.

In fiscal 2020, we adopted some business ideas at Sumisei Innovation Challenge*. In fiscal 2021, we turned them into projects and performed demonstration experiments within the Company. In fiscal 2022, we have been planning demonstration experiments in partnership with multiple companies and local governments to press forward with service development.

* See p. 30 for details.

Understand the current state at companies

Employee survey on infertility treatment

Provide opportunities to understand and notice

Online seminars

Understanding the effort of getting pregnant

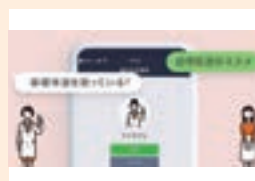
- Taking it as your own business, not other people's -
November 1, 2021
Sumitomo Life

Ovarian age assessment

Tests
AMH tests
famione

Support for people making an effort to get pregnant

LINE consultation



Online consultation



Challenge to Innovation

Promotion of open innovation (CVC)

As part of corporate transformation efforts (investment in future) from a long-term perspective, we are working to create new business and services that will contribute to the “well-being for all” customers and the solution of social issues through open innovation. In fiscal 2021, we started with a local government to develop a new public-private partnership program that combined the Wellness Program of the “SUMITOMO LIFE Vitality” Shared-Value Insurance with a lifestyle improvement support program of a company with which we create

■ SUMISEI INNOVATION FUND

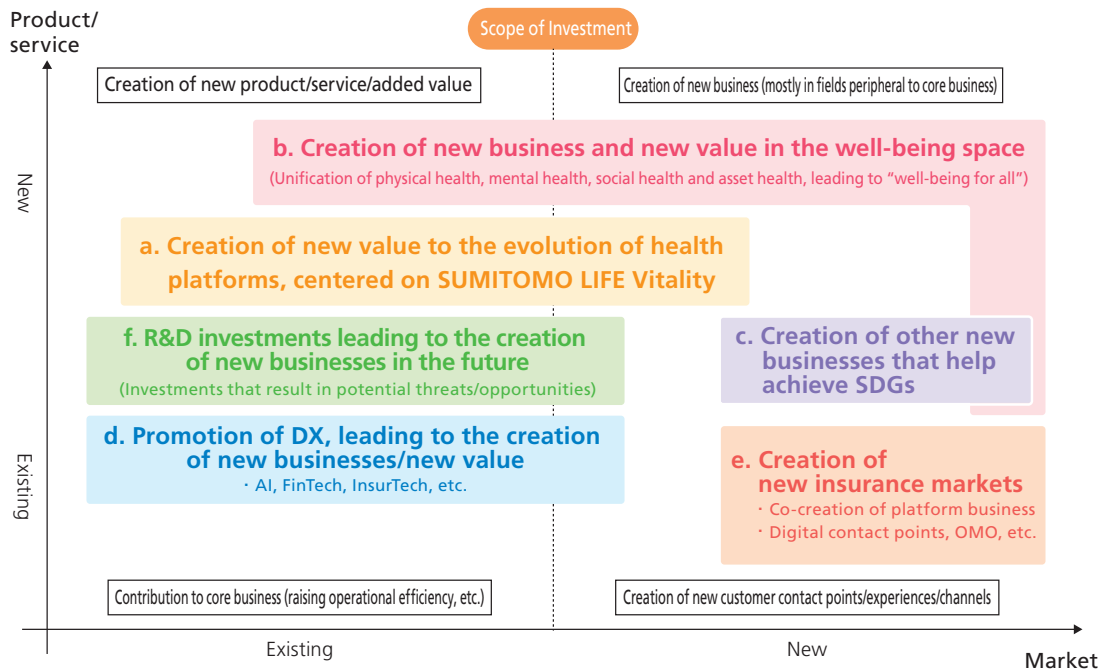
CVC is a structure to promote business co-creation efficiently and effectively through investments in promising start-ups. Benefiting from the operational assistance of SBI Investment Co., Ltd., which has extensive experience in investing in and supporting start-ups, the SUMISEI INNOVATION FUND is a CVC fund for business co-creation with investees.

Through business co-creation through the SUMISEI INNOVATION FUND, we will achieve such things as evolution

business. In the field of preconception care, we are also conducting demonstration experiments within the Company in order to develop solutions for companies through business co-creation.

In order to accelerate the creation of new value through open innovation with startup companies, we have invested in eight startups (as of June 30, 2022) through CVC (Corporate Venture Capital), one of which went public through an IPO (initial public offering).

of “SUMITOMO LIFE Vitality,” provision of services that will contribute to “well-being for all,” which aims not only for physical health but also for physical, mental and social health, and creation of “new contact points between customers and insurance companies” using new technologies and services.



Sumisei Innovation Challenge

We started the Sumisei Innovation Challenge in fiscal 2020 with the goals of creating businesses that will earn profit in future, developing innovative human capital with flexible and diverse perspectives and fostering a corporate culture that continues to understand and respond to changes in social needs.

We encourage all our employees to submit business ideas that will serve as seeds for new businesses. After being brushed up for the final screening, business ideas that have passed the final screening will be considered for commercialization. This is a project in which the entire Company endeavors to create new value (commercialize).

Since the start of the project in fiscal 2020, more than 300 business ideas have been submitted in two years, and seven are currently being considered for commercialization.



Final screening held in November 2021

Promoting Digital Transformation and Utilizing Information Communication Technology

Efforts to maximize customer experience value

We have formulated a Medium-Term Systemization Plan (2022) that aims to maximize the value of customer experience (CX) through the fusion of management strategies and IT/digital strategies and constantly utilized advanced ICT (information and communication technology) to further sophisticate our services.

Based on the Medium-Term Systemization Plan (2022), we are promoting the provision of new products and services that are closely aligned to customers' needs through the fusion of "digital technology" and "value rooted in human."

In fiscal 2020, we built the Sumisei Data Platform (environment for data analysis) with functions, including accumulation, maintenance and automatic analysis of big data. Since then, we have been performing various analyses to further evolve the Vitality Wellness Program (Shared-Value Insurance) that utilizes exercise data obtained from wearable devices and to provide other new products and services.

In addition, as our response to the diversified needs of customers for contact points, we have established systems to hold meetings online, send insurance plans using LINE

WORKS and allow customers to apply for new policies and make insurance claims on their own devices, including smartphones.

A series of our efforts were recognized, including those mentioned above, and in July 2021, we were certified as a DX-certified operator.*1

We will continue to press forward with our DX efforts to maximize customer experience value, including an effort to offer mobile apps with superior UI (user interface) and UX (user experience) and an effort to centrally manage customer data and contact information.



*1 The DX Certification is based on the "Act to Partially Amend the Act on Facilitation of Information Processing" enforced

on May 15, 2020. This is an initiative to recognize business operators that make excellent efforts by reviewing their application pursuant to the "Guidelines for the Operation and Management of Information Processing Systems."

Formulation of a concept of the next system architecture and construction of a digital platform

Led by the Medium-Term Systemization Plan (2022), we are formulating a concept of the next architecture for our systems and constructing a platform for promotion of digitization as a foundation to support the efforts mentioned above to utilize digital technology and ICT.

In order to create new businesses, and expedite the provision of services and increase the efficiency of operations in existing businesses, we have not constructed systems on our own but actively adopted right external services in right places with a cloud first strategy, and built an API*2 platform that connects internal and external systems to realize the provision of new value and services in partnership with companies in different industries as well.

In addition, we have built a new policy management platform for group companies to provide simple and easy-to-understand products that are suitable for

different aspects of customers' lives and started to offer Heatstroke insurance from AIARU Small Amount & Short Term Insurance Co., Ltd., which you can purchase with PayPay app, a cashless payment service.

In anticipation of increases in the number of endpoints and communication volume due to factors, including increased use of external services, we are going to make an effort to build a network based on "Zero Trust security*3," which will further strengthen network security.

*2 It is an acronym of Application Programming Interface. It is an interface between systems that operates a specific system with another system to retrieve and exchange information.

*3 It is an approach to security in network environment that urges you to take measures to allow only those with legitimate authorization to access necessary data assuming that every access is risky, instead of taking measures only to protect the perimeter wall of your company.

Human capital development to promote DX

In order to promote DX, it is essential to develop human capital with diverse skills in addition to utilizing digital technology and ICT.

We have an "IT Resource Recruitment Course" available to new graduates with the aim of training and retaining employees who have interest in advanced technology, own specialized knowledge and possess the ability to make the most of their ideas and creativity to utilize them. We also offer a "DX/Digital Business Idea Generation Course" for internships, and are making an effort to provide opportunities for students to learn about digital business in general and become interested in us through dialogue and workshops with our employees who are in charge of DX promotion.

In addition, we are working to improve IT literacy throughout the Company through efforts, including

encouraging all employees to take the "Information Technology Passport Examination." Together with our subsidiary, Sumitomo Life Information Systems Co., Ltd., we are also working to develop human capital with knowledge and skills in agile software development and cloud services, engineers who will work on projects with business departments and data scientists who will specialize in data analysis.

Furthermore, in the forms of group training and online workshops, we offer programs to train "value-creating human capital" in which employees can experience information research and idea generation/production over and over again.



Group training of the "value-creating human capital" program



Dialogue on Digital Transformation

The objective of Sumitomo Life's DX is to expand the platform that solves social issues and realizes well-being through the use of data and digital technology.

Profile

Kazuyoshi Kishi, Digital Officer

Mr. Kishi works for Information Systems Dept. He has extensive experience in the world of digital technology outside the Company as well. In 2016, he became the system manager of SUMITOMO LIFE Vitality development. In 2021, he was appointed as the Digital Officer (DO). He has taken charge of development of the methods for growing human capital with expertise in digital technology, dissemination of SUMITOMO LIFE Vitality and collaboration with external parties.

Yosuke Fujisawa, AI Officer

Mr. Fujisawa specializes in statistics and actuarial science and excels in designing insurance products with the use of programming and data analysis. In 2020, he joined Sumitomo Life. In April 2021, he was appointed as the AI Officer (AIO). He has led projects of the Data Analysis Team and engaged in education.

Results and challenges of DX promotion

Q Please tell us what prompted Sumitomo Life to promote DX, how SUMITOMO LIFE Vitality was developed and what the current situation is.

Mr. Kishi: In 2011, we started to deploy a new brand strategy with the message of "empowering your future." Later in 2015, the health enhancement program "Vitality" developed by South Africa's Discovery drew my attention as it matched the concept of our brand strategy. In addition to preparing for risks, such as illness and injuries, just as conventional insurance does, Vitality aims to reduce the risks themselves by changing the behavior of customers to enhance their health. In that respect, it is truly a product that empowers the future of our customers. I got the feeling that we could become a platformer as a company that provides a wide range of services from an ordinary insurance company.

Mr. Fujisawa: I got to know Vitality around 2014. Vitality's system is designed to track customers' health enhancement activities. Conventional insurance allows us to acquire health data only at the time of the purchase of insurance. Vitality,

however, enables us to continually accumulate data after the purchase. I found it very appealing. I hope that we will be able to perform highly advanced analyses of health enhancement activities of the elderly by accumulating data in Japan. It can contribute to the achievement of healthy and affluent lives in the era of 100-year lifespan. In that sense, it is definitely a DX.

Mr. Kishi: I agree. We did not have the word DX at the time, however, and I realized it later. In the beginning, we faced many difficulties because it was a foreign program. All employees involved worked very hard to overcome them. Cumulative sales topped the one million mark in March 2022. What has encouraged us is expressions of appreciation of the customers. I feel that SUMITOMO LIFE Vitality offers different perspectives, feelings, and delights as it is a completely different type of insurance.

Mr. Fujisawa: In doing data analysis, we also had difficulties unique to SUMITOMO LIFE Vitality. Data is created by recording customers' daily activities and certain actions, such as taking a health checkup. In order to collect and analyze data suitable for advanced analysis, we must be aware that "there are people behind the data." With that always in mind, we discussed what value we should offer. In March 2022, we launched

a service called “Vitality Health Report,” which utilizes the data obtained through SUMITOMO LIFE Vitality. We are designing models and algorithms to assess the health conditions of our customers and have the assessment serve as a reason for the customers to move on to the next health enhancement activities.

■ Efforts to develop human capital with expertise in digital technology

Q Please tell us about the efforts to develop human capital with expertise in digital technology that will support Sumitomo Life’s DX.

Mr. Kishi: SUMITOMO LIFE Vitality is a value-creating product. However, we did not have human capital that could define the requirements to create new value and shape it so that it can be incorporated into the business. Therefore, we first introduced a curriculum to teach human capital with system knowledge about business mechanisms, such as the sharing economy and crowdfunding, as well as digital technologies, including IoT, as seen in the use of wearable devices to collect data. Going forward, with the intention of providing SUMITOMO LIFE Vitality to corporate customers, we will offer it to wholesale departments as well. Furthermore, we plan to offer it to service departments, agencies and asset management departments so that we can ultimately provide value to our customers.

Mr. Fujisawa: In addition to such education, the ability to translate immediate issues into data analysis tasks is also extremely important. In order to enhance this ability, you must also understand how SUMITOMO LIFE Vitality works, what each department does, and what value they can provide.

Mr. Kishi: Digital technology and data are just means and the purpose is the business, namely, providing value to customers. I believe that what is valuable is to solve issues of individual customers you see behind the data and to figure out the ways to contribute to the business of corporate customers.

Mr. Fujisawa: In data analysis, you generally focus on programming skills and mathematical prowess. In addition to those, however, you also need the understanding of business. It may be difficult to possess all of these. Therefore, we offer educational programs in which employees can develop their thinking ability while working on projects, work as a team while making a good complement to each other and expand the areas that they can cover.

Mr. Kishi: I think that it is also most effective to study with a sense of purpose the things that are required to realize the value in the business model you are actually pursuing.

Mr. Fujisawa: As illustrated in the term “learning agility,” I also realize that studying through necessity is extremely effective in absorbing things. In its process, I try to encourage employees to recognize differences among operational departments and understand each other, eventually to provide value.

Mr. Kishi: I also want to focus on developing human capital with skills that they can use to provide value. Beyond these efforts is an ecosystem centered on SUMITOMO LIFE Vitality that we aim to realize, that is, WaaS (Well-being as a Service). I see the progress of our Company’s DX in the fact that the management has stated that the data analysis for that purpose shall be the value of our Company.

■ Goals Sumitomo Life tries to reach with DX and its vision

Q Please tell us about the vision Sumitomo Life tries to accomplish with DX.

Mr. Kishi: A business model is spreading around the world that utilizes digital technology to continue to seamlessly and borderlessly provide services that are valuable in the lives of customers. Its ultimate form is the provision of the value of well-being, which will also lead to the solution of issues the entire society faces. Customers enroll in SUMITOMO LIFE Vitality, we accumulate data through their health enhancement activities and the data are used to realize their well-being: healthy and affluent lives. This is what SUMITOMO LIFE Vitality aims for.

Mr. Fujisawa: SUMITOMO LIFE Vitality’s strength in this process is that exercise and health checkup data are connected with outcomes, such as illness and hospitalization. As we obtain extremely valuable data, we must return their value to the customers. One form of it is the “Vitality Health Report,” which I mentioned earlier, and provision of a mechanism that visualizes their health conditions.

Mr. Kishi: In the process of providing a wide range of value in this way, we acquire data, and we use the data to provide more value to the customers. As a result, the customers become our fans, and such a spiral is generated. I believe that this is the ultimate form of the platform created by SUMITOMO LIFE Vitality.

Mr. Fujisawa: I think the same thing is true for partner companies. For example, if we can present a company that has data of activities of their customers that there are correlations between their customers’ activities and health conditions with evidence based on the data we have, we will be able to provide value to the company through the platform of SUMITOMO LIFE Vitality as well. If we can show society that Vitality is an effective program based on data, we will probably be able to generate a spiral of further expansion of the platform itself and create well-being organically. As a result, SUMITOMO LIFE Vitality will hopefully become something indispensable in society. When I went to South Africa a while ago, a taxi driver was proudly talking about Discovery and Vitality. I still remember it vividly. I think I saw a vision of our Vitality in it.

Mr. Kishi: I hope that we will create shared value for customers, society and us, and solve social issues as a result of our efforts. By realizing this vision, we will “contribute to the advancement of social and public welfare,” which is our purpose.

Sustainability

Guided by its purpose of “contributing to the advancement of social and public welfare” and based on its Sustainability Management Policy, Sumitomo Life aims to become a company that contributes to the realization of a healthy, long-living and sustainable society and grows sustainably and stably through efforts to solve various social and environmental issues.



Toward Realization of a Sustainable Society

In managing the Company, Sumitomo Life places importance on sustainability in order to realize a healthy, long-living and sustainable society.

Nobuji Takao

Senior Executive Officer
Group Sustainability Officer

The environment surrounding our Company is changing rapidly, as seen in Japan’s declining birthrate and aging population, the advent of the era of the 100-year lifespan, diversification of lifestyles, etc. In addition to domestic issues, we are also facing various global issues, such as climate change and human rights issues involving supply chains. These issues cannot be solved by one company alone, and we believe that we are now in an era in which governments, companies and individuals must play their respective roles in solving them. Guided by this recognition, we are actively working to promote sustainability toward the realization of a sustainable society.

In May 2022, we formulated the “Sustainability Management Policy” with our mission stated as contributing to the realization of a sustainable society through the efforts to realize a healthy and long-living society and solve social and environmental issues. Based on this policy, we aim to become an “indispensable company” that helps the creation of “well-being” for customers, society and employees through management with an importance placed on sustainability, not only in our core business, such as provision of life insurance and management of assets, but also in all of our business activities.

Promotion of sustainability management

In performing sustainability management, we have listed five issues as materialities (key items): 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 and management structure that supports sustainability. For each of these material items, we have identified risks and opportunities and strived to better align them with management strategies.

In addition, in order to accelerate our sustainability efforts, we established the “Sustainability Promotion Council” in 2020. Among social issues we have in Japan and overseas, the global environment is particularly important as it is a foundation of a sustainable society. Guided by this recognition, we are working to strengthen our response to climate change issues. While sharing information via this council at the management level, we are making cross-departmental efforts based on the roles society expects us to play as a financial

institution that has more than ¥30 trillion in assets under management.

Efforts to solve social and environmental issues

Since our foundation, we have been working to solve social issues in Japan, including financial protection against risks, such as customers’ illness, nursing care, preparation for old age and preparation of funds for education of children, and health and welfare, through providing life insurance products and services. In 2018, we launched “SUMITOMO LIFE Vitality” Shared-Value Insurance for the first time in Japan, which introduced a mechanism to evaluate customers’ daily health enhancement activities, to work on the challenge of extending healthy life expectancy. We are thus actively making efforts toward solving various issues.

Furthermore, in April 2021, we declared to achieve carbon neutrality by 2050 and have been working to reduce greenhouse gases, including those emitted by the companies in our supply chain, such as our investees. We believe that reducing our own emissions as well as supporting the decarbonization of our investees will help us, a financial institution that manages the insurance premiums entrusted by customers, to secure stable investment income over the medium to long term. We are making an effort to realize a sustainable society by actively implementing initiatives, such as dialogue with our investees and transition finance.

Toward the future

We recognize that various issues related to sustainability will become more and more visible as global issues and that they will change our business environment both in Japan and overseas.

Based on this recognition, we believe that it is important for us, a financial and insurance group that does business globally, to listen to the opinions of our stakeholders, participate in international initiatives and collaborate with companies in different industries and other financial institutions, to realize a future in which society and Sumitomo Life Group will both be able to sustain.

As the Group Sustainability Officer, I am going to promote sustainability throughout the entire Group in Japan and overseas and increase the value that we provide to society as the Sumitomo Life Group.

► Promotion System

We have set up the “Sustainability Promotion Council” to implement initiatives to share and solve social and environmental issues, such as the SDGs. The council convenes twice a year in principle, and we have developed a system in which discussions of the council are deliberated at the Executive Management Committee, an advisory body to the President, and reported to the Board of Directors.



We seek to promote sustainability initiatives and contribute to achieving the SDGs in our business activities, and have accordingly declared our intention to focus on contributing to society and on creating a company that is trusted by society in the “Sumitomo Life Medium-Term Business Plan 2022”.

The status of our sustainability initiatives is disclosed on the Sustainability page of our official website. We will continue to strive to disclose information in a timely and appropriate manner.

Overview of Sustainability Promotion Council

The Sustainability Promotion Council’s membership includes the President and other Executive Officers who are in charge of relevant departments.

We have built a framework for implementing the PDCA cycle laterally across departments, which will largely involve considering matters such as the need to overhaul and strengthen our own sustainability initiatives in light of society’s demands amid a scenario of ever-changing circumstances surrounding society and the environment.

Reporting from fiscal 2021 onward

During its meetings held in fiscal 2021, the Sustainability Promotion Council reviewed the status of initiatives taken to address key issues toward achieving the SDGs, and otherwise engaged in discussion and reporting with respect to matters such as directions in regard to stepping up initiatives to address issues of climate change and initiatives for causing SDGs to take hold within the Company.

Overview of the Sustainability Promotion Council from fiscal 2021 onward

Schedule	Main items
May 2021	<ul style="list-style-type: none"> Reported the status of fiscal 2020 initiatives Discussed targets for fiscal 2021 initiatives Reported fiscal 2020 initiatives for causing SDGs to take hold within the Company and on such initiatives for fiscal 2021
June 2021	<ul style="list-style-type: none"> Discussed to establish 2030 GHG emissions reduction targets for the asset portfolio
August 2021	<ul style="list-style-type: none"> Reported the status and directions of our response to issues of climate change
November 2021	<ul style="list-style-type: none"> Reported status of initiatives in the first half of fiscal 2021
March 2022	<ul style="list-style-type: none"> Reviewed fiscal 2021 sustainability initiatives and reported fiscal 2022 initiatives Discussed to raise fiscal 2030 GHG emissions reduction targets
May 2022	<ul style="list-style-type: none"> Discussed to formulate the Sustainability Management Policy (revision to CSR Management Policy)

➤ Addressing Climate Change

Currently, we are facing many critical issues around the world, such as climate change, and being tested on our ability to ensure the sustainability of the global environment. We will reduce environmental burdens arising in the course of our business activities and consider the importance of biodiversity, based on awareness that the global environment forms the foundation of a sustainable society. By encouraging the shift to a decarbonized society, we will also contribute to the realization of a carbon-neutral society.

■ Basic Policy on Environment

Sumisei Environmental Policy

Sumitomo Life believes that maintaining and preserving the global environment is indispensable for our goal of realizing "a society of affluence, vitality, health and longevity."

In keeping with the public nature of our business and our responsibilities to society, the Sustainability Management Policy stipulates that "We contribute to the realization of a sustainable society through efforts to solve social and environmental issues." We will observe the principles on the right in our daily activities and carry out actions to steadily and sustainably protect the global environment.

1

We shall fully recognize the importance of the global environment and the environmental impact of our business activities, and promote global environmental protection and conservation of biodiversity through our business activities.

2

Aiming to "the realization of a sustainable society," we contribute to the realization of a carbon-neutral society by facilitating the transition to a decarbonized society through initiatives as a life insurance company and institutional investor.

3

We shall pursue energy and resource conservation, introduction of electricity derived from renewable energy sources, waste recycling, and green purchasing for consumables, fixtures and equipment in offices.

4

We shall raise the environmental awareness of each officer and employee of the Company, support their activities to protect the global environment, and actively contribute to society on the environmental front.

■ Contribution to the Realization of a Carbon-Neutral Society

Greenhouse Gas Emissions Reduction Targets

We aim for net-zero greenhouse gas ("GHG") emissions^{*1} by 2050. We have also established reduction targets for 2030 as interim targets.

Category	Reduction Indicator (Unit)	2030 Target	2050 Target
Scope 1 + 2 + 3	Total emissions (t-CO ₂ e)	-40% (compared with FY2019)	Net zero
Asset portfolio ^{*2}	GHG emissions proportional to amount of balance held in the portfolio (t-CO ₂ e / million yen)	-42% (compared with FY2019)	

*1 Scope 1, 2, and 3 are concepts in the GHG emissions accounting and reporting standards for businesses stipulated by the GHG Protocol and refer to the following.

- Scope 1: Direct emissions from fuel use at Sumitomo Life
 - Scope 2: Indirect emissions from use of electricity and heat purchased by Sumitomo Life
 - Scope 3: Indirect emissions from business activities other than those in Scope 1 and 2
- Scope 3 covers the items in which emissions are to be reduced through the proactive efforts of Sumitomo Life and its employees. It includes Category 1 (Purchased Goods and Services), Category 3 (Fuel and Energy-Related Activities Not Included in Scope 1 or Scope 2), Category 4 (Upstream Transportation and Distribution at the expense of Sumitomo Life), Category 5 (Waste Generated in Operations), Category 6 (Business Travel), Category 7 (Employee Commuting), Category 12 (End-of-Life Treatment of Sold Products), and Category 13 (Downstream Leased Assets). As we work to reduce emissions in these categories, we will consider adding other categories in the future if necessary. Category 15 (Investments) is managed separately as emissions from the asset portfolio.

*2 For the 2050 target, this encompasses all assets excluding government bonds, etc. For the 2030 target, this encompasses domestic and overseas listed stocks, corporate bonds, and loans. The reduction indicator expresses "GHG emissions proportional to the amount of balance held in the portfolio," in order to assess emissions excluding effects of asset size. It is measured by dividing the GHG emissions from the asset portfolio by the amount of balance held.

Asset portfolio formula

$$\text{GHG emissions proportional to amount of balance held in the portfolio} = \frac{\sum \left(\frac{\text{Current value of investment}^{*3}}{\text{Issuer's market capitalization}^{*4}} \times \text{Issuer's Scope 1 + 2 GHG emissions} \right)}{\text{Current portfolio value}}$$

*3 Current value of investment: "Fair value" for listed stocks; "Book value" for bonds and loans

*4 Issuer's market capitalization: Market capitalization + Book value of debt

Initiatives to reduce emissions with respect to Scope 1, 2 and 3

We are further promoting energy and resource conservation efforts in our equipment and facilities, which we have been working on for some time, as well as employee-participatory efforts, such as reducing waste by promoting reusable bags and personal use thermos bottles.

In addition, we are promoting the introduction of equipment with high environmental performance and renewable energy related initiatives, such as the planned relocation of the Tokyo Head Office in fiscal 2022 and the introduction of electricity derived from renewable energy sources for use in our buildings.

Initiatives to reduce emissions resulting from the asset portfolio

We recognize that addressing climate change is an important and immediate social issue and likely to have an enormous impact on our asset portfolio over the medium to long term.

As such, we believe that it is important to reduce the GHG emissions of society as a whole by reducing the GHG emissions of each of our investees. Deeming that divestment serves as a last resort, we actively implement the following three measures in particular accordingly.

(1)

Promote dialogue for decarbonization

(2)

Expand green financing and transition financing

(3)

Expand project financing, including for renewable energy

■ Adoption of TCFD Recommendations

In March 2019, we announced our endorsement of the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) established by the Financial Stability Board (FSB). We will redouble our initiatives thus far related to climate change while also enhancing our disclosure taking into account the TCFD recommendations.

Governance

We have formulated the “Sumisei Environmental Policy” stipulating the corporate policy on environmental protection, and have also formulated the “Basic Principles on Responsible Investment” with the aim of helping to realize a sustainable society encompassing measures to address climate change through asset management.

In addition, the “Sustainability Promotion Council,” which is tasked with reviewing matters involving sustainability of Sumitomo Life, has accordingly been engaging in discussions on addressing issues involving climate change and has been reporting its status to both the Executive Management Committee and the Board of Directors.

Strategy

We recognize that Sumitomo Life’s business activities gain opportunities and incur risks due to climate change as described below. As such, we have been working to reduce such risks while exploiting such opportunities by appropriately engaging in initiatives to manage risk.

STEP1	STEP2	STEP3	STEP4
Assess materiality of risks Risk exemplified in the TCFD recommendations <ul style="list-style-type: none"> ● Physical risks: Acute risk and chronic risk ● Transition risks: Policy and legal risks, technology risk, market risk, and reputation risk 	Identify scenarios Select a scenario under which the average temperature rises by 2°C or 4°C prior to the year 2100 relative to average temperatures prior to the Industrial Revolution	Evaluate business impacts Evaluate effects on the life insurance business and the asset management business	Identify potential responses <ul style="list-style-type: none"> · Keep considering options in terms of approaches to analyzing effects of rising mortality on payments of insurance claims and benefits · Calculate and analyze volumes of GHG emissions resulting from the asset management portfolio

Risk management

Under our integrated risk management framework we seek shared awareness of climate-related risk. This involves reporting such matters to the ERM Committee and the Executive Management Committee on a regular basis, upon having monitored climate change risk as one of the emerging risks, in the form of potential events that could substantially affect Sumitomo Life in the future amid a scenario where such risk newly emerges or undergoes transformation due to environmental change or other such developments.

When it comes to asset management, we take climate change and other ESG factors into consideration when making investment and loan decisions and furthermore carry out engagement activities involving dialogue on climate change with investees.

Category	Units	FY2019	FY2020
Scope 1 + 2 + 3	t-CO ₂ e	181,588	154,183
Scope1	t-CO ₂ e	2,716	2,340
Scope2	t-CO ₂ e	36,097	28,137
Scope3	t-CO ₂ e	142,775	123,706
Asset portfolio*	t-CO ₂ e / million yen	1.34	—

*The latest actual results available for the asset portfolio are those for FY2019 (calculated using our current portfolio value as of March 31, 2020 and GHG emissions data for FY2019 of our investees).

<Opportunities>

In asset management, we are encountering more opportunities for investment and financing particularly with respect to companies that develop technologies contributing to a carbon neutral society as well as projects related to renewable energy.

<Risks>

The following risks from among those related to climate serve as the primary risks that may significantly affect Sumitomo Life’s business.

1. Risk of incurring losses amid changes in the incidence of death, etc. over the medium to long term due to factors that include higher average temperatures
2. Risk of future impairment on the value of our investment and loan assets under a situation where we become subject to substantial effects involving our investees due to factors that include policy changes and regulatory reforms regarding the transition to a carbon neutral society

We have performed scenario analysis enlisting the following steps in order to evaluate effects of climate-related risk on the life insurance business and the asset management business based on our awareness of the aforementioned risks. For details of the results of our scenario analysis, please visit our official website.

Metrics and targets

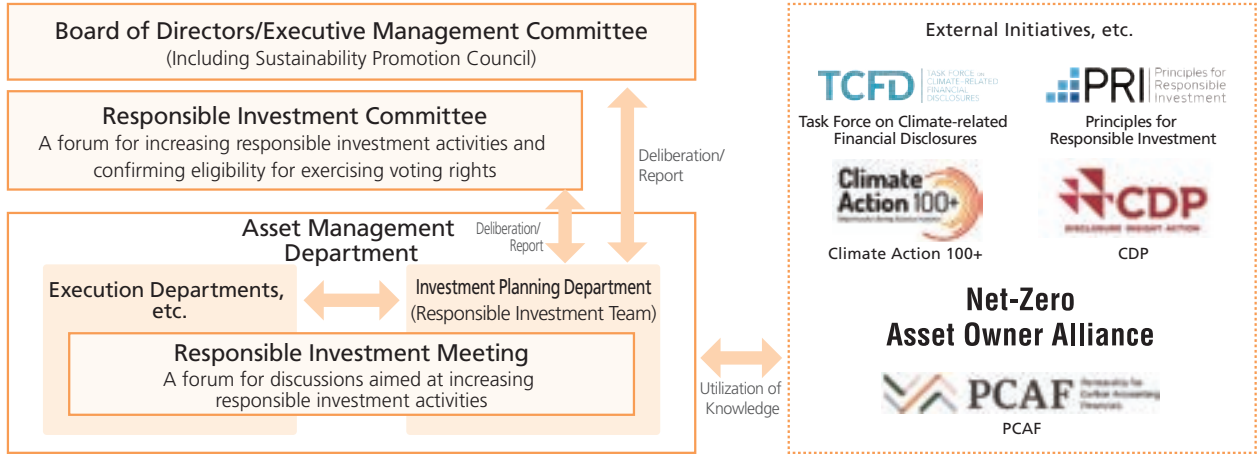
We initially aim to achieve the GHG emissions reduction targets for 2030 presented on [p. 36](#) on our path to realizing carbon neutrality by 2050. Our actual emissions results are as shown in the table below.

➤ Responsible Investment Initiatives

We are promoting responsible investment (ESG investment and financing and stewardship activities) with the aim of realizing a sustainable society while also improving medium- to long-term profitability of our asset management. In addition to climate change, which requires our global and immediate response, there are many other social issues, such as human rights and biodiversity. We consider ESG factors and sustainability when we manage our assets and apply ESG integration to all assets under management. Based on the philosophy that “all Sumitomo Life asset management is responsible investment,” we will continue to actively contribute to the solution of social issues.

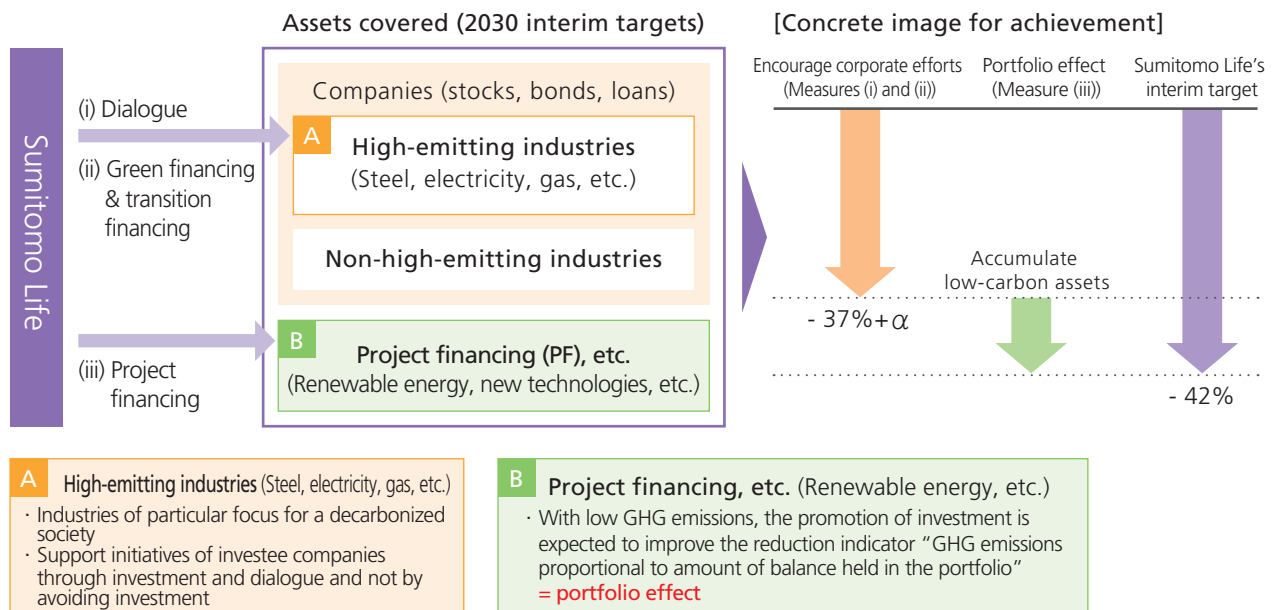
■ Organizational Structure

With the organizational structure presented below, we implement the PDCA cycle appropriately and work to further increase our responsible investment.



■ Addressing Climate Change

We aim for net-zero greenhouse gas (“GHG”) emissions associated with our asset portfolio by 2050. We have also established reduction targets for 2030. Through dialogue activities and investment on the theme of addressing climate change, we support our investees’ efforts toward decarbonization. Additionally, in fiscal 2021, we joined the Net-Zero Asset Owner Alliance, an international initiative for institutional investors that aim for net-zero GHG emissions, and the Partnership for Carbon Accounting Financials, which works to develop and implement a standardized approach to assess the GHG emissions associated with asset portfolios, in order to strengthen our ties with domestic and overseas institutional investors.



ESG Investment and Financing (Investment and financing behavior that considers ESG and other factors in addition to financial information)

■ ESG integration

It is a method in which you consider non-financial information, including responses to ESG issues, in addition to quantitative financial information in your investment and financing decision-making process. In fiscal 2021, we started ESG integration for all assets under management. One of our efforts is to identify and assess industry-specific materiality (important ESG issues) in the management of stocks and credit assets (bonds and loans).

■ Thematic investment

As investment that will contribute to the achievement of the SDGs, we have established a target amount of ¥500 billion for the three years covered by our Medium-Term Business Plan. In fiscal 2020 and fiscal 2021, we made thematic investment of approximately ¥382 billion, which accounts for 76% of the three-year target.

■ Impact investment

It is investment that we make with an aim of creating social and environmental impacts as well as gaining financial returns. We will press forward with effective initiatives to solve social issues through responsible investment. In fiscal 2022, we aim to make investment of approximately ¥20 billion primarily in funds.

■ Negative screening

We do not make investments in manufacturers of inhumane weapons and investments to finance coal-fired power generation projects.

Green bonds	Social bonds	Transition loans
<p>We invested in green bonds issued by the International Bank for Reconstruction and Development, a World Bank Group organization, that support measures taken to address climate change (September 2021).</p>  <p>Photo provided by: World Bank</p> 	<p>We invested in social bonds issued by the Japan International Cooperation Agency (JICA) that promote gender equality and women's empowerment in developing countries (September 2021).</p>  <p>Photo provided by: Yoshino Oishi/JICA</p> 	<p>We participated in transition loans for SUMITOMO JOINT ELECTRIC POWER CO., LTD. (March 2022). Construction of a new LNG power generation facility will facilitate energy conversion from coal, etc. to LNG and contribute to the reduction of greenhouse gas.</p> 

* The SDGs logos presented above represent the main goals of which the corresponding investment and financing we hope will contribute to the achievement.

Efforts of Stewardship Activities

We actively engage in stewardship activities (dialogue activities and exercise of voting rights) based on the underlying objective of the Principles for Responsible Institutional Investors (Japan's Stewardship Code) of promoting sustainable growth as well as enhancement of corporate value of investees through dialogues.

■ Dialogue activities

Through dialogue to encourage investees to improve their corporate value over the medium to long term, we share recognition with them and urge them to work to solve issues. Our basic stance for dialogue is to communicate our concerns and requests as an investor based on our analysis of individual companies and work to deepen the understanding of themes, as companies' management-related and ESG-related issues and solutions vary depending on their size, growth stage, etc. In fiscal 2022, we will perform our dialogue activities with two important themes: companies' measures against global warming and supply chain management, which includes human rights issues.

■ Exercise of voting rights

We have established the "Guidelines for Exercising Voting Rights" from the viewpoint that exercise of voting rights will lead to the improvement of corporate value over the medium to long term. We determine whether to vote for or against a proposal based on the content of the dialogue and the status of the efforts to address issues. In fiscal 2022, we will revise the Guidelines for Exercising Voting Rights as necessary from

Viewpoints for dialogue

Themes	Main viewpoints for dialogue
Management strategy Business strategy	<ul style="list-style-type: none"> ● Basic management philosophy, medium- to long-term growth strategy (medium-term business plan, etc.) ● Key management indicators and measures for improvement ● Balancing social sustainability and economic rationality, etc.
Capital efficiency Shareholder returns	<ul style="list-style-type: none"> ● Efforts to improve capital efficiency (incorporation into management indicators, etc.) ● Balance between accumulated retained earnings and investment plans, and shareholder returns, etc.
ESG	<p>[With respect to environment and society]</p> <ul style="list-style-type: none"> ● Identification of important issues (materiality) and response ● Significance of the businesses that lead to the solution of environmental and social issues and response ● Efforts to reduce GHG emissions, etc. <p>[With respect to governance]</p> <ul style="list-style-type: none"> ● Composition and operation of the Board of Directors ● Process for appointment and dismissal of management executives ● Philosophy on the officer remuneration system, etc.

the viewpoint of corporate value improvement and continue to exercise our voting rights while considering the ESG issues of our investees. Regarding the flexible exercise of voting rights, which is implemented after analyzing the impact of COVID-19, we will determine whether the application will contribute to the improvement of corporate value.

Please see the following information on our website for the status of our dialogue and exercise of voting rights and the details of specific guidelines.

- Adherence to the Principles for Responsible Institutional Investors (Japan's Stewardship Code) (Only in Japanese)
- Responsible Investment Activities Report, Lists of Our Votes by Investee and Proposal (Only in Japanese), etc.

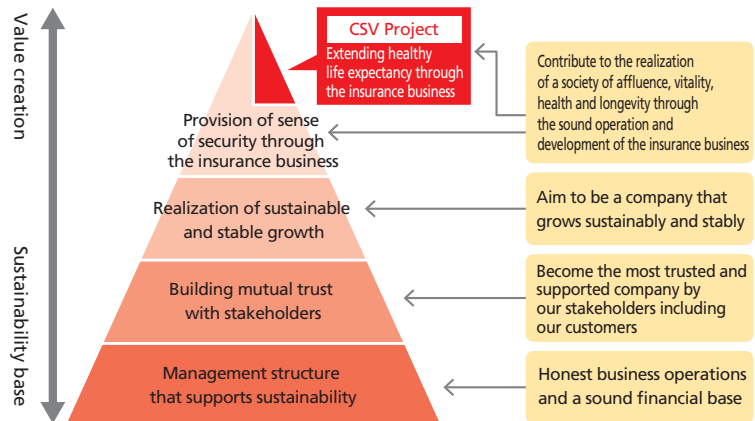
For details, please visit our website.
<https://www.sumitomolife.co.jp/about/csr/initiatives/realization/investment/index.html> (In Japanese)
<https://www.sumitomolife.co.jp/english/assetmanagement.html> (In English)

➤ Materiality - Risks and Opportunities

We have defined materialities (key items) based on our operating policy as shown in the diagram presented on the right. We have identified SDGs we will work to achieve and material issues for each of the five key items to clarify the issues we focus on.

Led by the “Sumitomo Life Medium-Term Business Plan 2022,” we are going to contribute to the achievement of SDGs via initiatives presented below primarily by contributing to the creation of healthy and long-living society through “SUMITOMO LIFE Vitality.”

<Key Items of Sustainability>



Materiality	Risks and Opportunities	Material Issues	Our Visions	Relevant SDGs
Extending healthy life expectancy through the insurance business	<ul style="list-style-type: none"> Risks <ul style="list-style-type: none"> Longer lives could result in decreasing demand for death protection, and increases in benefits paid in relation to hospitalization and surgery, etc. Opportunities <ul style="list-style-type: none"> Rising demand for pure endowments driven by longer lives and the increase in one-person households Market growth driven by development of proprietary products that contribute to the promotion of health 	<ul style="list-style-type: none"> Promotion of businesses related to “SUMITOMO LIFE Vitality” <p>Implement initiatives to publicize “SUMITOMO LIFE Vitality” throughout society, as well as initiatives to drive the evolution of products, programs, and rewards</p>	Contribute to extending healthy life expectancy in Japan through the insurance business, with a view to realizing a society where people can continue to live with peace of mind in good health	
Provision of sense of security through the insurance business	<ul style="list-style-type: none"> Risks <ul style="list-style-type: none"> Mismatches between products and services provided and customer needs; obsolescence caused by similar products and services from other companies or neighboring industries Possibility of damage to asset values as a result of investment and financing behavior that ignores the ESG perspective Opportunities <ul style="list-style-type: none"> Enhancement of corporate value through the provision of products and services that capture customer needs Increase in investment and financing opportunities generated by the expansion of funding needs for ESG projects 	<ul style="list-style-type: none"> Services and information for the era of the 100-year lifespan Contribution to the realization of a carbon neutral society (Responsible investment, etc.) 	Provide all people with suitable life insurance products and services, as well as security that they will lead to, by pursuing customer-oriented management	
Realization of sustainable and stable growth	<ul style="list-style-type: none"> Risks <ul style="list-style-type: none"> Loss of customers, reduced motivation to work, and obstacles to hiring employees resulting from an approach to operating the business that is incompatible with environmental changes Opportunities <ul style="list-style-type: none"> Enhancement of corporate value and gaining of social trust resulting from an approach to operating the business that captures the changing needs of society 	<ul style="list-style-type: none"> Work style reform Recruit & nurture flexible and diverse human resources Coexistence with business partners through alliances, etc. New value creation through open innovation Strengthen business development infrastructure (IT, etc.) 	Under a management policy to be passed down through the ages, continue to grow steadily while responding to changes and reforms in society	
Building mutual trust with stakeholders	<ul style="list-style-type: none"> Risks <ul style="list-style-type: none"> Possibility of loss of social reason for existence caused by damage to mutual trust Opportunities <ul style="list-style-type: none"> Gaining the trust of society by fulfilling social responsibilities 	<ul style="list-style-type: none"> Promote financial literacy education Global environmental protection Promote activities to contribute to society, and collaborate with regional governments 	Meet the expectations of stakeholders and aim to be a company that is trusted and supported by them	
Management structure that supports sustainability	<ul style="list-style-type: none"> Risks <ul style="list-style-type: none"> Possibility of reduced trust and of damage to corporate value caused by infringements of laws and regulations or corporate behavior that deviates from social norms Opportunities <ul style="list-style-type: none"> Enhancing corporate value by achieving highly effective corporate governance and making continuous improvements to it thereafter 	<ul style="list-style-type: none"> Strengthening corporate governance Compliance initiatives Human rights initiatives Initiatives for the protection of personal data Increased sophistication of ERM Restructure and enhance risk management systems 	Contribute to the creation of a sustainable society by conducting honest business operations and building a sound financial base	

➤ Process for Identifying Materiality

In view of global trends surrounding CSR, we identified key items of CSR in 2018 in the following steps.

Later in 2022, we established the Sustainability Management Policy. Accordingly, we have changed their name to key items of sustainability.

STEP 1 Uncovering CSR-Related Items

Taking into account advice from external resources, such as international guidelines, we uncovered items that were thought to be related to CSR. After further collating and revising the items, we extracted and organized the items that became the subject for the survey.

Guidelines, etc.

- GRI Guidelines
- IIRC
- United Nations Global Compact
- ISO26000, etc.

Uncover

External advice, etc.

- Reference to advice, etc. from external resources (outside experts and groups)

Organize

CSR-related items (148 items)

Items subject to survey (to Step 2)

STEP 2 Refining Based on Internal and External Assessments

Reflecting internal and external opinions on the items that were extracted in Step 1, we assigned priorities both from the stakeholder perspective and Sumitomo Life operational perspective. Based on the priorities derived from both perspectives, we selected 16 items that both stakeholders and Sumitomo Life considered to be important. (Refer to diagram below)

Reflecting internal and external opinions

[Policyholder conference]

Viewpoints of stakeholders

Analyze items based on opinions received from customers at Policyholder conferences held throughout Japan

[Managers' meeting]

Viewpoints of Sumitomo Life's businesses

Carry out survey via questionnaire for management, and analyze items based on the results

Verification by Sumitomo Life's management

Reflect opinions of NPOs, public interest incorporated foundations, etc.

Selection of items of particular importance (16 items)

Setting of items considered particularly important by both stakeholders and Sumitomo Life

- 1 Development/provision of advanced products and services
- 2 Development/provision of products and services that contribute to sustainability
- 3 Provide impressive quality in existing products and services
- 4 Expand sales channels and enhance services
- 5 Pursue profits from a medium- to long-term perspective
- 6 Respond to changes in the business environment
- 7 Responsible investment activities as an institutional investor
- 8 Strengthening business development infrastructure (IT, etc.)
- 9 Create comfortable workplaces
- 10 Building mutual trust with customers
- 11 Dialogue with stakeholders
- 12 Contribute to local communities, build cooperative relationships
- 13 Preserve the global environment
- 14 Corporate governance
- 15 Risk management
- 16 Compliance

STEP 3 Verification of Key Items of CSR Based on the CSR Management Policy

Based on the CSR Management Policy, Sumitomo Life selected five key items of CSR. The Company confirmed that the five key items of CSR correspond to the 16 items derived from this process, and their reasonableness was verified.

Key Items of CSR

A CSV Project
Extending healthy life expectancy through the insurance business

B Provision of sense of security through the insurance business

C Realization of sustainable and stable growth

D Building mutual trust with stakeholders

E Management structure that supports CSR

Items of particular importance

A	1. Development/provision of advanced products and services 2. Development/provision of products and services that contribute to sustainability
B	3. Provide impressive quality in existing products and services 4. Expand sales channels and enhance services
C	5. Pursue profits from a medium- to long-term perspective 6. Respond to changes in the business environment 7. Responsible investment activities as an institutional investor 8. Strengthening business development infrastructure (IT, etc.)
D	9. Create comfortable workplaces 10. Building mutual trust with customers 11. Dialogue with stakeholders 12. Contribute to local communities, build cooperative relationships 13. Preserve the global environment*
E	14. Corporate governance 15. Risk management 16. Compliance

* Reorganized in fiscal 2021. The current category is B.

Fiscal Years 2020–2022

Sumitomo Life Medium-Term Business Plan 2022

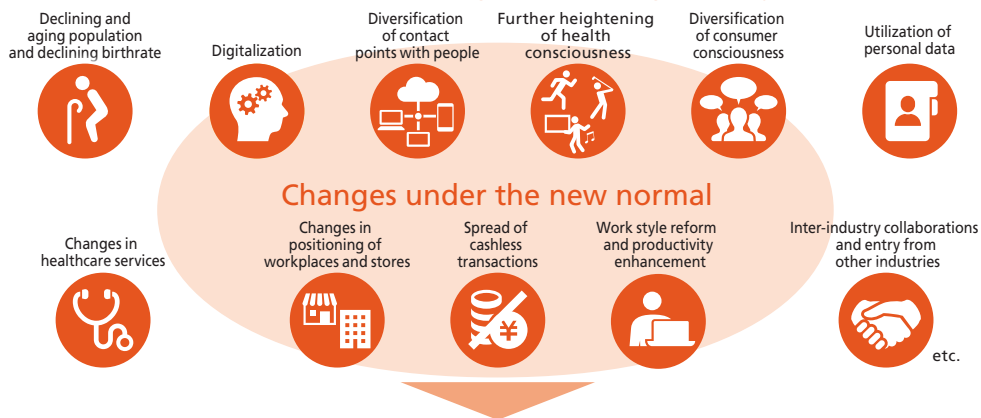
Under the Sumitomo Life Medium-Term Business Plan 2022, a three-year plan that began in fiscal 2020, we aim to become an “indispensable insurance company for society” by accurately grasping the social environment so we can continuously serve our customers in the future.

Revision of Medium-Term Business Plan (September 2020)

Transformation to new ways of living and working is required, in anticipation of an era of the new normal. We perceive dramatic change taking place at a rapid pace, in ways such as the need for communication in the absence of face-to-face contact, and a further increase in health consciousness.

We revised the Medium-Term Business Plan with our commitment to remain a company that people find valuable under the new normal, in terms of “security” and “health,” which is the core of the life insurance business, and to engage vigorously in implementation of resource shift from existing operations in order to secure the investment capacity to focus on responding to this changing environment.

Acceleration of various changes affecting society as a whole



In the interest of being continuously useful to our customers in the future, we aim to become an “indispensable insurance company for society” by accurately grasping the social environment and contributing to, earning the trust of, and adapting to changes in society.

Overview

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



➤ Basic Policies – (1) **Contribute to society** – Contribute to achieving the SDGs

We will contribute to society through initiatives aimed at achieving the Sustainable Development Goals (SDGs) in our business activities with an ESG focus, primarily by contributing to a healthy and long-living society through the promotion of “SUMITOMO LIFE Vitality.”

In addition, by reaching across society with our unique value centering around “SUMITOMO LIFE Vitality,” we aim to establish a brand image of “health, security and familiarity.”



Contribution to a healthy and long-living society

3 GOOD HEALTH AND WELL-BEING
Promotion of businesses related to “SUMITOMO LIFE Vitality”
 Implement initiatives to publicize “SUMITOMO LIFE Vitality” throughout society, as well as initiatives to drive the evolution of products, programs, and rewards

1 AFFORDABLE AND HEALTHY CARE
Services and information for the era of the 100-year lifespan
 Further evolve the products, services and information that we provide to customers, and strive to solve the challenges of super-aging society.

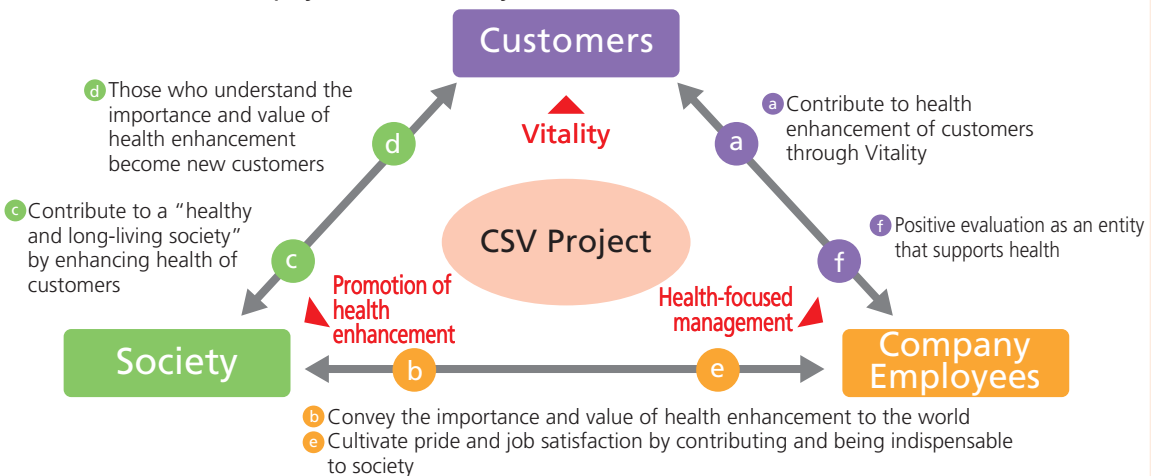
	<ul style="list-style-type: none"> Reform work styles, recruit & nurture flexible and diverse human resources Coexistence with business partners through alliances, etc. Promote ESG investment and financing to realize sustainable societies New value creation through open innovation Strengthen business development infrastructure (IT, etc.) Promote financial literacy education Global environmental protection 	<ul style="list-style-type: none"> Promote activities to contribute to society, and collaborate with regional governments Strengthening corporate governance Compliance initiatives Human rights initiatives Initiatives for the protection of personal data Increased sophistication of ERM Restructure and enhance risk management systems

CSV Project

Sumitomo Life is endeavoring to solve the social challenge of “extending healthy life expectancy” through its efforts to promote health enhancement across society and health-focused management and centering around “SUMITOMO LIFE Vitality.” We regard these initiatives as our “CSV* Project.”

*CSV is an acronym for “Creating Shared Value,” meaning that we address social issues in our core business to resolve those issues while at the same time enhancing corporate value.

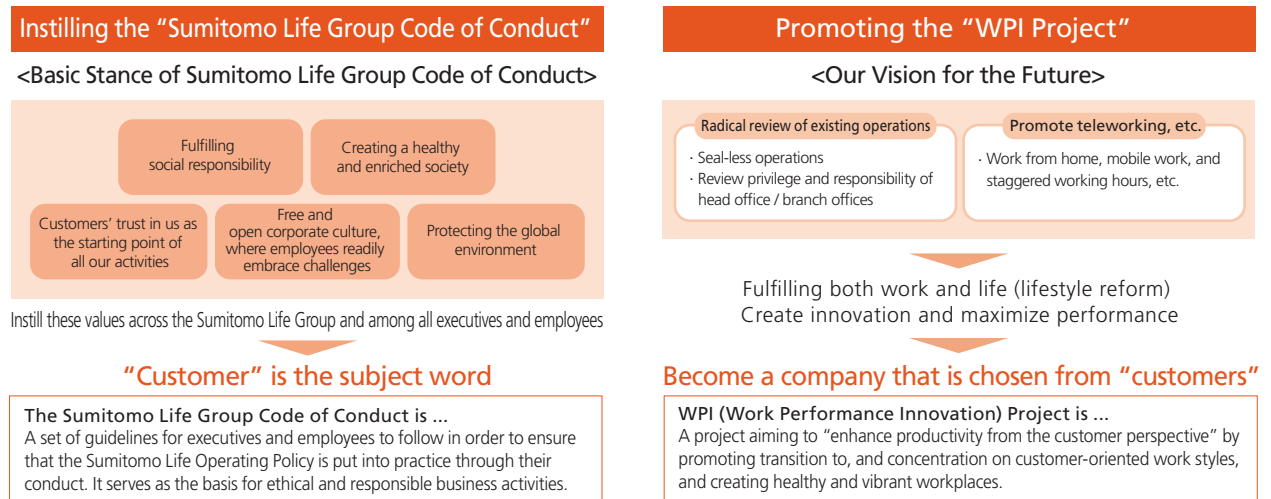
Overview and Philosophy of the CSV Project



- 1 Provision of Vitality to customers
 - 2 Promotion of health enhancement across society
 - 3 Promotion of health-focused management to help employees and their families become healthier
- We aim to extend healthy life expectancy in Japan through these three actions.

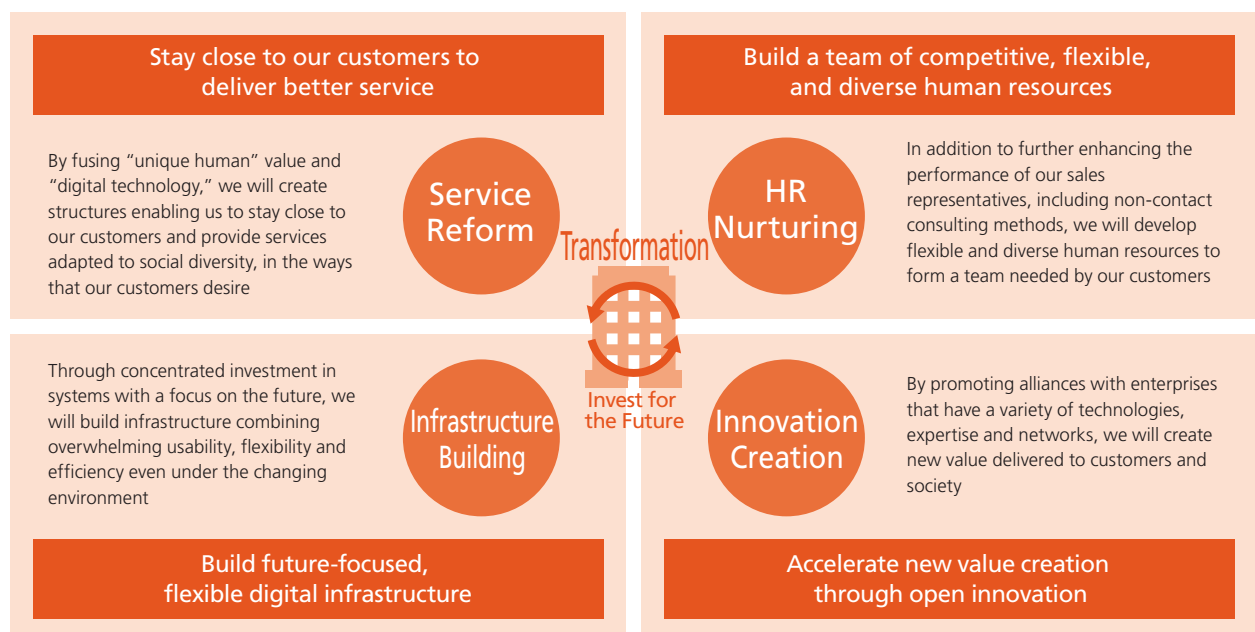
➤ Basic Policies – (2) Be trusted by society – “Customer” is the subject word

In order to further ensure that each and every executive and employee thinks and acts from the customer’s perspective, in addition to focusing on instilling the “Sumitomo Life Group Code of Conduct,” we will also promote our “WPI Project,” which aims to promote transition to, and concentration on customer-oriented work styles, and create healthy, vibrant workplaces. By reforming work styles and behavior through these measures, we will strive to gain yet greater social trust.



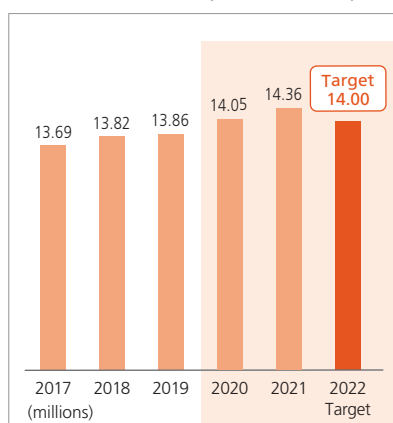
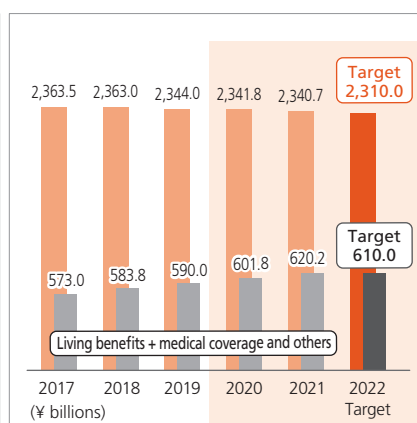
➤ Basic Policies – (3) Adapt to social change - Transformation for continual evolution

In the new normal environment, amid the ever increasing pace of change, the effects of which may be felt throughout society, we will carry out a radical review of existing operations, and promote initiatives (service reform, HR nurturing, infrastructure building and innovation creation) to reform our business structure from a long term perspective, and ensure we will be a sustainable company that can adapt to any change in our environment.

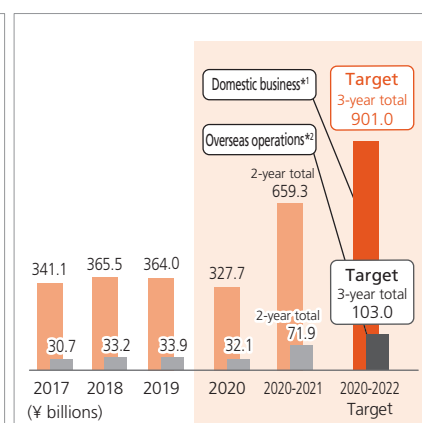


Numerical Targets (end of March 2023)

Items	Result as of March 2022	Targets for March 2023
Number of Customers (Policies in Force)* ¹	14.36 million policies	14.00 million policies
Annualized Premiums from Policies in Force* ¹	JPY 2,340.7 bn	JPY 2,310.0 bn
Of which, Living benefits + Medical Coverage and others* ¹	JPY 620.2 bn	JPY 610.0 bn
Core Business Profit (Domestic Business)* ¹	2-year total JPY 659.3 bn	3-year total JPY 901.0 bn
Core Business Profit (Overseas Operations)* ²	2-year total JPY 71.9 bn	3-year total JPY 103.0 bn

Number of Customers (Policies in Force)*¹Annualized Premiums from Policies in Force*¹

Core Business Profit



- *1 Cumulative total of Sumitomo Life and Medicare Life Insurance. The number of customers (number of policies in force) is the number of individual life insurance and individual annuities, and includes products provided by our business alliance partners (Mitsui Sumitomo Insurance, NN Life, and Sony Life).
 *2 Cumulative total of overseas operations (Symetra Financial Corporation, etc.).

Multi-channel

Life Designers (sales representatives)

We will strive to provide services that enhance the value of the customer experience based on the pillar of “SUMITOMO LIFE Vitality” by adding non-contact customer interaction through the use of “digital technology” in addition to “value rooted in human” provided through face-to-face meetings.



Environmental awareness

With regard to the domestic market, we believe that the living insurance market, which includes situations such as “inability to work and nursing care,” “dementia,” “healthcare,” and “old age,” will continue to expand amid the declining birthrate, aging population, and increasing number of single-person households.

In this context, we believe that we will play an even greater social role in the field of health enhancement centered on “SUMITOMO LIFE Vitality,” and we are striving to enhance the value of the customer experience through high-quality consulting and services by our life designers (sales representatives).

Meanwhile, as society undergoes major changes due to the impact of the recent spread of COVID-19, looking to the post-pandemic era, we believe it is important to

expand the creation of contact points with customers in a non-contact manner by leveraging “digital technology” in addition to the “value rooted in human” in the form of life designers (sales representatives), and enhance services to improve the value of the customer experience.

To accurately respond to this changing social environment and diversifying customer needs, our life designers (sales representatives) are working to become “ideal life designer.” Toward transforming each of our employees into “ideal life designers” for our customers, we will secure talented human resources, focus on education related to private coverage (Sumitomo Life and affiliated products) rooted in the social security system, and strengthen our consulting skills and services when proposing solutions to our customers.

Assumptions

- Declining birthrate, aging population, and increase in single-person households
- Possibility low interest rates may continue
- Diversification of customer needs and acceleration of change
- Growing demand for medical and nursing care coverage and health enhancement insurance



Measures

- Offer products that satisfy diversifying customer needs and interests
- Promote customer-oriented business operations and further improve consulting capabilities
- Establish a service structure and promote market strategies according to demographic regional characteristics
- Focus on education related to private coverage (Sumitomo Life and affiliated products) rooted in the social security system
- Resolve social issues toward the realization of a healthy and long-living society through the launch of health enhancement insurance

Sumitomo Life Medium-Term Business Plan 2022

01

Sumitomo Life Value Creation

Life designers
(sales representatives)

Consulting for the era of the 100-year lifespan,
centering around "SUMITOMO LIFE Vitality"

- Strive to distribute "SUMITOMO LIFE Vitality," which is a product that meets customer needs in the era of the 100-year lifespan, to contribute to the "health" of our customers.
- Introduce and utilize digital tools, and build structures for sales representatives (review systems, digital infrastructure etc.) to provide sure and reliable service to our customers into the future, in response to the change in customer preferences resulting from the COVID-19 pandemic.
- Strive to strengthen our ability to meet the needs of corporate clients, to enhance customer response.

HR nurturing

Promote the formation of a team of competitive, flexible and diverse human resources (Enhance the performance of our life designers)

02

Sumitomo Life Management Strategies

Looking back at fiscal year 2021

03

Base to Support Value Creation

In fiscal year 2021, in response to the spread of COVID-19, we provided various services based on SUMITOMO LIFE Vitality while promoting contact with customers in a non-contact manner through digital tools such as Zoom and LINE WORKS (Japanese social media), and have been making efforts to contribute to the extension of healthy life expectancy through our insurance business, an important step toward the achievement of the SDGs.

We have been focused on sales of "SUMITOMO LIFE Vitality" as a product that encourages customers to engage in health enhancement activities, and cumulative sales since its launch surpassed the one million mark in March 2022.

As part of the evolution of "SUMITOMO LIFE Vitality," the Company launched a "trial version," which is a limited-time trial of part of the Wellness Program in March 2021, the "Family Plan," under which part of the Wellness Program is offered at half price for families of Vitality members in June 2021, and the "Light Plan," which offers the same services as the Family Plan for customers 34 years old and younger in March 2022. In addition, to utilize data such as the checkup results of subscribers, we have launched the "Vitality Health Report," a tool that makes possible continuous management of checkup results and facilitates understanding of relative evaluations. We will continue to create new angles of contact with customers by providing health-focused management support to companies and health enhancement support to individuals.

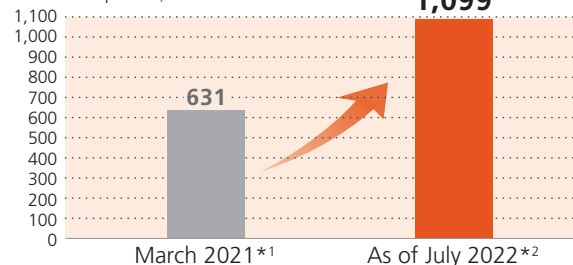
In terms of product policy, in March 2021, given recent advances in medical technology and rising survival rates, we launched "Cancer PLUS ALIVE," a product conceived in response to the era of "living with cancer."

This product is enhanced by a product lineup to help protect against the risk of cancer, including the launch of riders for "continuing coverage of cancer diagnosis," and a new whole life coverage type of "cancer drug treatment" rider to prepare for the "uncertainty of cancer recurrence."

In September 2021, the Company also launched a "Five-Year Savings-Type Whole Life Insurance" that serves to provide both mortality benefits and asset building, taking into account the increasing tendency among young people to save.

Meanwhile, many customers that are more advanced in age are concerned about their health as well as the burden of insurance premiums. Therefore, in March 2022, we launched "Sumisei Dementia Insurance" as a complement to "Dementia PLUS", launched in fiscal year 2020, with limited coverage and a simple notification requirement. With an eye toward the era of the 100-year life span, we will work to provide value in terms of both health enhancement and dementia prevention.

Cumulative new policy sales since the launch of "SUMITOMO LIFE Vitality" (thousands of policies)



*1 Cumulative policies sold through March 23, 2021 *2 Cumulative policies sold through July 1, 2022

Future initiatives

In fiscal year 2022, the final year of the "Sumitomo Life Medium-Term Business Plan 2022," we will continue to respond to the spread of COVID-19, while working to perform consulting services as we did prior to the pandemic.

We will continue to aim to be an "indispensable life insurance company" by supporting our customers with "human beings" and "digital technology," and contributing to "well-being for all".

Deliver consulting and services that satisfy customer needs

Advancing the use of digital and other tools to offer "SUMITOMO LIFE Vitality"

Overview of "SUMITOMO LIFE Vitality"

Risk coverage

Life insurance

Provides coverage in case the policyholder becomes unable to work, is hospitalized, or undergoes surgery due to illness or injury



Reducing risk

Vitality Wellness Program

Supporting health enhancement through recognition of health enhancement activities and various rewards

Focus on **contributing to a healthy and long-living society**

Wholesale (products and services for corporate customers)

Supporting the realization of a comprehensive corporate welfare system

The environment surrounding companies is changing dramatically, and expectations for corporate welfare programs are increasing as companies seek to create an environment where their employees can work with a sense of security. Moreover, an increasing number of companies are engaging in “health-focused management” and support for their employees in terms of “balancing medical treatment and work.” Amidst such conditions, corporate managers require a well-balanced combination of social security, corporate welfare, and self-help to support each employee.

Sumitomo Life supports the achievement of comprehensive corporate welfare programs by meeting various needs ranging from program administration to asset management and services for employees.

For this purpose, we are constructing a system to support corporate welfare plans by enhancing our corporate client product lineup, developing retirement benefit plan consulting services, and providing defined contribution (DC) pension plans, defined benefit (DB) corporate pension plans, and other pension services.

Enhanced corporate client product lineup

We offer a variety of corporate products to protect the livelihoods of managers and employees, as well as their families.

Specifically, we are working to enhance our corporate client product lineup as follows.

	Corporate welfare system, etc.	Corporate-oriented products
Prepare for employee security, retirement benefits, etc.	Condolence and death benefits	
	Non-statutory occupational injury compensation system	Comprehensive welfare group term insurance
	Bereaved families' and children's scholarship pension plan	
	Health-focused management and support for balancing work and medical treatment	Group insurance for three major diseases (all policyholder type)
	Medical coverage system	Medical coverage insurance (group type) Group term insurance hospitalization coverage rider Doctor GO for corporate
	Retirement benefits and pension plans	Defined benefit (DB) corporate pension insurance, defined contribution (DC) pension plan Employee benefit insurance plan Z (free insurance with interest dividends every five years) Emblem N Emergency Plus
Promoting employee self-help	Loan guarantee system	Group credit life insurance Group credit life insurance/cancer coverage rider Group credit life insurance/three major disease coverage rider
	Provides coverage for death, serious disability, and three major diseases at affordable premiums	Optional group insurance (group term insurance) Optional group insurance (non-participating group term insurance) Group insurance for three major diseases (optional)
	Prepare a comfortable retirement fund	Contributory corporate pension insurance
Security for Executive	Self-help subsidy system	Sumitomo's asset building pension plan Sumitomo's property accumulation housing savings Sumisei asset building savings plan
	Condolence and death benefits	Comprehensive welfare group term insurance / Prime Fit for Corporate
	Retirement and severance benefits	Emblem GP Emblem New Long-Term Plan for Corporate Emblem N Emergency Plus
	Medical coverage system	Medical coverage insurance (group type) Doctor GO for Corporate

Enhanced corporate support menu

■ Seminar for employees

1) Second life seminars

We support the motivation of senior employees to work by clarifying their life planning. We help them to learn about social insurance and pensions necessary for retirement planning.

We ask employees to create their own household financial plan by confirming the amount of benefits and pensions they will be eligible to receive from various social insurances after retirement.



2) Health enhancement seminars

The goal of the seminar is to learn about diet, exercise, sleep, and more in a fun way through actual physical activity. This in principle should lead to behavioral change through increased awareness of health enhancement.

This is a participatory seminar. The course is enjoyable, with the in-person seminar incorporating simple exercise experiences and the online seminar a voting function.



3) Seminars on infectious disease prevention

This program is designed to deepen understanding of infectious disease prevention measures and immunity enhancement, and to raise awareness of infectious disease prevention. We will also encourage participants to think about their health going forward, which in principle should lead to behavioral changes.

This is a participatory online seminar. We engage participants by utilizing the voting function or asking them to take a quiz.



4) Life planning seminars

By learning about significant life events and life planning, employees will understand the importance of work and financial planning, which will generate benefits such as improved retention rates.

We encourage employees themselves to think about their future life plans, including events such as marriage, childbirth, and post-retirement life.



5) Defined contribution pension plan investment education seminars

Since defined contribution pension plan participants are responsible for their own investment results, we support investment education at companies by dispatching lecturers for "introductory education," "continuing education," and "additional enrollment education (new employees)."

■ Consulting for management

1) Health-focused management* consulting

We offer health-focused management study sessions, and explanations of the criteria and advice on applying for the Certified Health & Productivity Management Outstanding Organizations Recognition Program.

*The term health-focused management ("Kenko-Keiei") is a registered trademark of the nonprofit organization KenkoKeiei. The "health-focused management" refers to the strategic implementation of health management from a managerial perspective, based on the belief that efforts to maintain and promote employee health are investments that will lead to increased profitability in the future.

2) Infectious disease prevention consulting

Provide information and support for infection disease prevention measures and business continuity planning (BCP).

3) Retirement benefit and pension consulting

We offer support for retirement financial planning and financial soundness with a view to the era of the 100-year lifespan.

■ Support for business partners

1) Business matching

We leverage the nationwide network of Sumitomo Life to provide introductions and business matching opportunities to our business partners.

2) Stress check service

Due to the revision of the Industrial Safety and Health Act, the implementation of stress checks has become mandatory at workplaces with 50 or more employees since December 2015. For companies wishing to outsource stress checks, Sumitomo Life provides referral services to specialized companies with whom it has formed a business alliance.

Enhanced convenience of various procedures for corporate clients

We are promoting the use of digital technology to make a host of procedures for corporate clients more convenient, which had been done primarily in written form.

Specifically, we have introduced a system that makes policy contents viewable online for employees and one that allows them to complete subscription procedures. We will continue to gradually roll out new systems.

In March 2022, we began offering "Sumisei Corporate Insurance Smart Web," a web-based service that allows employees to complete procedures related to their entry and departure from the Company as related to group term life insurance and group protection insurance from the three major diseases. This service eliminates the need for paper-based submissions and sending forms by mail, providing a flexible work environment for employees and helping to reduce workload and improve efficiency by significantly shortening administrative procedure time.

Moreover, through the integration of human and digital resources, we will continue to improve various procedures to realize a higher quality of services.

Multi-channel

Bancassurance Banks, Financial institutions, etc. and Insurance Outlets

By expanding our product lineup, we will offer products that meet the needs of various customers.



Environmental awareness

Due to the increase in longevity, we are seeing the arrival of a super-aging society, also known as the “era of the 100-year lifespan.” Amidst such conditions, in addition to the need for inheritance to bequeath assets to the next generation, asset building to supplement public pensions as a self-help measure to ensure a secure retirement is becoming increasingly important. In the interest of accurately meeting the needs of such customers, given that interest rates are expected to remain low in Japan for some time, we are working to expand our lineup of foreign currency-denominated products in addition to yen-denominated products.

Meanwhile, there are foreign exchange risks and other considerations associated with foreign currency-denominated products, and there are cases where elderly customers subscribe to these products through financial institutions and other agencies.

To this end, we have been working to provide information that helps customers understand the

characteristics and considerations of foreign currency-denominated products more clearly. Measures include the provision of supplementary offering materials that describe various risks and returns and product introduction videos that convey features in an easy-to-understand and visual manner.

In addition to longer life expectancy, lifestyles are changing dramatically. This includes the growing need for non-personal and non-contact services due to the spread of COVID-19. It is expected that the diversification of customer needs will only continue. Together with its subsidiaries, Medicare Life Insurance and AIARU Small Amount & Short Term Insurance, the Sumitomo Life Group will realize flexible product development that meets customers’ needs and expand its product lineup to provide customers with peace of mind and satisfaction through financial institutions and other agencies and insurance outlets.

Assumptions

- Declining birthrate, aging population, and increase in single-person households
- Possibility low interest rates may continue
- Accelerated diversification and change in customer needs due to factors including the spread of COVID-19
- Promotion of customer-oriented business operations at agencies



Measures

- Provision of products that meet the needs of inheritance to bequeath assets to the next generation and the importance of asset building in supplementing public pension funds.
- Expansion of product lineup to satisfy customer needs even amidst low interest rates
- Establishment of a flexible product development system that addresses customer needs
- Support for promotion of customer-oriented business operations through provision of easy-to-understand information to customers and other measures

Sumitomo Life Medium-Term Business Plan 2022

Bancassurance Banks, Financial institutions, etc. and Insurance Outlets

Keep pace with customer needs by expanding product offerings and providing a rich product lineup

- We will build a framework to leverage the strengths of each of our group companies to create synergy with the aim of meeting a wide range of customer needs.
- Responding to changes in agency business models under the new normal, we offer a full lineup that meets the diversified and fragmented needs of our customers.
- With the aim of contributing to the health of our customers, we will promote "SUMITOMO LIFE Vitality" through financial institutions and other agencies and insurance outlets.

Looking back at fiscal year 2021

■ Initiatives for over-the-counter sales at financial institutions

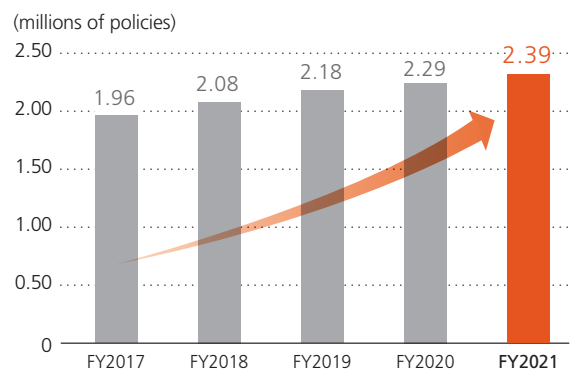
Since the launch of over-the-counter sales at financial institutions in October 2002, we have offered annuities, life insurance, and various other products to a host of customers through financial institutions nationwide.

In fiscal year 2021, we promoted the sales of whole life insurance and savings products to satisfy customers needs related to inheritance and asset management. As a result, cumulative over-the-counter sales through financial institutions reached approximately 2.39 million policies.

Sumitomo Life Insurance offers a variety of training programs for solicitors on topics such as products and compliance through national wholesalers responsible for financial institutions. We have also set up a dedicated telephone inquiry desk for financial institutions to promptly provide them with assistance.

Cumulative over-the-counter sales at financial institutions

Cumulative sales since launch **2,392,088** policies



*Over-the-counter sales at financial institutions (as of March 31, 2022)
*The above figures are the sum of Sumitomo Life Insurance's over-the-counter sales at financial institutions, including those from securities companies and Japan Post Bank.

Initiatives for the Japan Post Group

Sales of Sumitomo Life products started at Japan Post Group companies since May 2008.

The national wholesalers responsible for Japan Post conduct activities in person and remotely, and implement detailed activities and training.

Moreover, the dedicated support desk for Japan Post handles inquiries from Japan Post Group companies and promotes insurance sales and appropriate compliance.

In fiscal year 2021, flyers with a video about the handling of medical insurance with relaxed underwriting criteria for those who had given up purchasing insurance for health reasons were distributed at post offices. This is an effort to increase customer convenience by making it widely known to customers using the teller window.

Future initiatives

In fiscal 2022, based on the Sumitomo Life Medium-Term Business Plan 2022, we will continue to work with Medicare Life and AIARU Small Amount & Short Term Insurance to provide products and services that precisely meet the diverse needs of our customers and deliver greater peace of mind and satisfaction to even more customers.

From the perspective of providing information that customers can easily grasp, we have asked our CS Enhancement Advisors for their opinions on our recruitment materials, and we will continue these efforts to produce easier-to-understand materials.

In terms of agency support, we have deployed wholesalers responsible for respective agencies nationwide and established a system to support agencies through various training programs, including inheritance and gift during life, while also employing new training styles that utilize the Internet and video. We will continue to remind agency staff to comply with laws and regulations by regularly providing compliance materials and dispatching trainers.

And we will continue to further enhance our education and training system in order to appropriately respond to the diversifying needs of our customers.

Agency training system

Introductory training	Outsourcing briefing	<ul style="list-style-type: none"> ● Overview of agency services ● Company profile of Sumitomo Life, etc.
	Pre- and post-enrollment training	<ul style="list-style-type: none"> ● Product overview ● Practical training related to sales contracts ● Compliance training, etc.
Upskilling training	Life insurance training	<ul style="list-style-type: none"> ● Product training ● Case studies ● Upskilling training for sales ● Grief care training ● Compliance training, etc.

Key products offered by Sumitomo Life Group

Sumitomo Life

Whole life insurance

Yen-denominated products



Foreign currency-denominated products



Individual annuities

Yen-denominated products



Foreign currency-denominated products



Medicare Life/AIARU Small Amount & Short Term Insurance

Medical insurance, etc.



Income protection: Term insurance



<AIARU Small Amount & Short Term Insurance>



Medicare Life

Wholly owned subsidiary Medicare Life Insurance Co., Ltd. launched operations in April 2010. Through insurance outlets, insurance websites, financial institutions, and other sales agencies, we flexibly provide simple, easy-to-understand insurance products to customers who want to proactively select products that suit them.

In June 2021, we revised our mainstay products, such as “New MEDI-FIT A,” a whole life medical insurance policy, to enhance its benefits. We also launched a new cancer treatment insurance policy, “MEDI-FIT Cancer Insurance,” which has been well received by customers.

Since the launch of Medicare Life, we have been striving to provide our customers with optimal products and services. As a result of the support we have received from many customers, the number of policies in force surpassed 1.3 million in March 2022.

We will continue to leverage our strength as a member of the Sumitomo Life Group to provide the insurance products and services preferred by our customers.



Official website

<https://www.medicarelife.com/>

AIARU Small Amount & Short Term Insurance

AIARU Small Amount & Short Term Insurance Co., Ltd., which became a subsidiary in August 2019, has developed insurance products for risks and needs that change with the times, leveraging the product development agility unique to a small amount and short-term insurance provider. Representative products are the “Kodakara Ēru,” a health insurance for women undergoing fertility treatment, and the “Muen Shakai no Omamori,” a solitary death insurance for landlords, which focuses on the increasing risk of “unattended death” due to changes in social structure, such as the declining birthrate, aging population, and increase in the number of single-person households. In February 2022, the Company released “Dear Baby,” a medical insurance policy for expectant and nursing mothers, and “Biotherapy Insurance,” which covers regenerative medicine.

AIARU Small Amount & Short Term Insurance will continue to contribute to the Sumitomo Life Group’s marketing strategy by developing unique new products and cultivating niche markets, while delivering enhanced products and services to its customers.



Official website

<https://www.air-ins.co.jp/>

Insurance outlet business initiatives

Izumi Life Designers Co., Ltd., a wholly owned subsidiary, operates “Hoken Hyakka” insurance outlets. The company operates 95 outlets (as of March 31, 2022) primarily in the three major metropolitan areas of Tokyo, Keihanshin, and Nagoya. It aims to open stores mainly in shopping centers and shopping streets close to train stations, where customers can casually drop in. As an independent agent, Izumi Life Designers is able to meet a wide range of diversifying customer needs by offering not only Sumitomo Life Group products, but also a lineup of products offered by 32 life, non-life, and small-amount short-term insurance companies (as of March 31, 2022), as well as precise consulting and high-quality services.

INSURANCE DESIGN, which became a subsidiary in July 2017, operates “Hoken Design” insurance outlets in the Kansai area, with 27 outlets in operation as of March 31, 2022.

We will continue to provide optimal coverage to more customers and their families through its insurance outlet sales business, and will strive to further improve customer service by accurately identifying customer trends and product needs.



Official website

<https://www.hokenhyakka.com/>



Official website

<https://www.hokendesign.co.jp/>

Asset Management

Sumitomo Life practices safe and secure asset management so that we can continue to reliably pay insurance claims and benefit payments to our customers into the future. As the existence of a sustainable society is a prerequisite, we engage in asset management that takes into account sustainability over the medium to long term, including ESG (Environment, Social and Governance) factors (responsible investment).

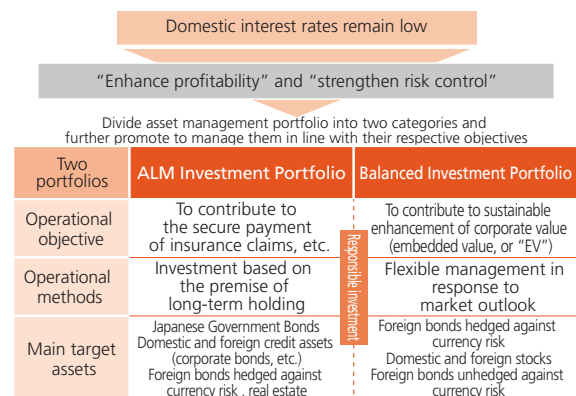


Basic policy and direction of initiatives

We invest mainly in long-term public and corporate bonds, loans and other safer assets, under the basic policy of Asset and Liability Management (ALM) considering the long-term characteristics of life insurance liabilities, in order to secure stable earnings and ensure that we pay insurance claims and benefit payments. Furthermore, we invest in stocks and foreign bonds to gain more earnings within the limits of acceptable risk.

Domestic interest rates have been low and this is expected to continue for some time, but the operating environment may change significantly amid some major changes in the global political and economic landscape. Amidst these conditions, we have divided our asset management portfolio into two categories and manage them in line with their respective objectives to “enhance profitability” and “strengthen risk control.” Since the achievement of these objectives is predicated on the existence of a sustainable society, we will also contribute to the realization of a sustainable society as a

socially responsible institutional investor by conducting investment management that takes into account medium- to long-term sustainability, including ESG (responsible investment).



Sumitomo Life Medium-Term Business Plan 2022

Asset Management

Achievement of asset management that provides customers with peace of mind and satisfaction

- Based on the assumption of a prolonged low interest rate environment in Japan, we will work to enhance asset management profitability and strengthen risk control with the aim of achieving asset management that provides customers with peace of mind and satisfaction.
- With the aim of realizing a sustainable society and enhancing asset management profitability over the medium to long term, we will promote efforts to shift to a decarbonized society and work to solve social issues through responsible investment.
- We will work to develop professional human resources to support asset management and collaborate with Symetra toward strengthening our asset management structure.

Enhancement of asset management profitability

Enhance profitability by effectively using capital and expanding investment in foreign currency-denominated credit assets, stocks, unhedged foreign bonds, etc.

Strengthening of risk control

Strengthen risk control by promoting further portfolio diversification while working to reduce interest rate and other risks

Looking back at fiscal year 2021

■ Fiscal year 2021 operational environment

In fiscal year 2021, financial markets continued to be characterized by low interest rates under the loose monetary policies of central banks in many countries in the first half of the fiscal year amid the continued spread of COVID-19. A significant rise in inflation toward the end of the fiscal year, however, sparked the tightening of monetary policies in many countries and a notable rise in long-term interest rates overseas. Meanwhile, domestic long-term interest rates remained low on the back of the Bank of Japan's continued monetary easing. And, although domestic stocks rose at times as corporate earnings recovered, they fell toward the end of the fiscal year as overseas stocks declined, falling in value compared with the end of the previous fiscal year. Looking at foreign exchange markets, the yen depreciated against the U.S. dollar against the backdrop of Japan's deteriorating balance of current account caused by rising resource prices and differences in monetary policies between Japan and the U.S.

	March 31, 2021		March 31, 2022
Japan 10-Year Government Bond	0.090%	↑	0.210%
Nikkei Stock Average	29,178.80 yen	↓	27,821.43 yen
TOPIX	1,954.00 pt	↓	1,946.40 pt
U.S. 10-Year Treasury Note	1.740%	↑	2.338%
USD/JPY	110.71 yen	↑	122.39 yen
EUR/JPY	129.80 yen	↑	136.70 yen

Future initiatives

In fiscal year 2022, the outlook for financial markets is steeped in uncertainty, given that interest rates in Japan remain low, while interest rate hikes accelerate in the U.S. amidst inflation. Amidst these conditions, in addition to the continuation of efforts made in fiscal year 2021, we will consider expanding investment in foreign bonds unhedged against currency risk as a means to further enhance profitability, as well as replacing bonds and stocks with high dividend issues. By commencing the full outsourcing of overseas corporate bonds to our overseas subsidiary, Symetra's asset management subsidiary (Symetra Investment Management Company), improving the analytical capabilities of individual issues and expanding the range of issues

■ Fiscal year 2021 initiatives

We continued to promote two portfolio management strategies, the "ALM Investment Portfolio" and the "Balanced Investment Portfolio," to enhance asset management profitability through appropriate risk-taking.

<ALM Investment Portfolio>

We promoted the reduction of domestic interest rate risk by investing in ultra-long-term JGBs and other securities.* Moreover, we promoted investment in foreign currency-denominated credit assets (such as overseas corporate bonds) hedged against foreign exchange risk, and in non-traditional assets (assets and investment methods other than so-called traditional assets such as bonds and stocks) to improve our earning capacity.

*Assets that can be invested for long periods of time are limited in relation to the liability characteristics of life insurance policies with long contract terms. This results in an asset-liability duration mismatch, which can effectively be reduced through investment in ultra-long-term bonds.

<Balanced Investment Portfolio>

In order to add to our income within the limits of acceptable risk, we invested in domestic and foreign stocks and foreign bonds unhedged against currency risk, while monitoring trends in stock prices and interest and exchange rates. We also implemented appropriate risk control by hedging equities and exchange rates using financial derivatives to partially offset losses incurred should a significant market decline occur.

we target for investment, we will work to enhance asset management profitability and strengthen risk control. We will also consider expanding hedging against downside risk.

In terms of responsible investment, from fiscal year 2022, we will position all of our asset management as responsible investment and push forward with effective initiatives to solve social issues.

Moreover, we will continue to promote initiatives to strengthen our asset management structure. These include the cultivation of professional human resources, leveraging IT to promote operational efficiency, and advancing of investment methods and analysis.

	ALM Investment Portfolio	Balanced Investment Portfolio
Enhancement of asset management profitability	<ul style="list-style-type: none"> ✓ Invest in foreign currency-denominated credit assets hedged against currency risk (commence full outsourcing of overseas corporate bonds to Symetra's asset management subsidiary) ✓ Expand investment in non-traditional assets ✓ Replace issues in response to rising interest rates 	<ul style="list-style-type: none"> ✓ Expand investment in foreign bonds unhedged against currency risk while monitoring exchange and interest rate levels ✓ Expand investment in domestic and foreign stocks at levels that are deemed to be undervalued over the medium to long term ✓ Replace issues in response to rising interest rates; replace to high-dividend issues
Promotion of responsible investment initiatives		
Strengthening of risk control	<ul style="list-style-type: none"> ✓ Further reduction of domestic interest rate risk by investing in ultra-long-term bonds, etc. 	<ul style="list-style-type: none"> ✓ Appropriately hedge stocks and currency against downside risk
Strengthen asset management structure	<ul style="list-style-type: none"> ✓ Commence full outsourcing of overseas corporate bonds to Symetra's asset management subsidiary ✓ Promote diversity in human resources, dispatch trainees overseas to absorb know-how and cultivate specialized personnel ✓ Leverage IT to promote work efficiency and sophisticate investment methods and analysis 	

Overseas Operations

Our basic policy for overseas operations is to complement the earnings of the domestic life insurance business by diversifying life insurance business geographically and expanding the earnings base by incorporating the profitability and growth potential of overseas life insurance markets into the Company. The objectives are to secure stable sources of dividends to customers, improve our capacity to pay insurance claims, and enhance sustainability. Moreover, through sharing information and producing synergies with overseas life insurance companies that we invest in, we strive to sophisticate our asset management, diversify our product development, and create added value such as business innovation through utilizing InsurTech. Our long-term goal is to increase to 20% the contribution of overseas operations to the Group core business profit.



Environmental awareness

Japan's life insurance market is undergoing change due to the declining birthrate, aging and declining population, and increasing volatility in the financial markets. Amidst such change, we must achieve long-term business stability to fulfill our mission as a life insurance company. Therefore, in addition to our efforts in Japan, we believe it is important to expand our earnings base and strengthen the sustainability of our domestic life insurance business by incorporating the profitability and growth potential of overseas life insurance markets into our Group.

Moreover, as technology is increasingly used in various businesses, we recognize that there is an increasing need for us to collect information on advanced technologies abroad.

Impact of COVID-19

In the countries in which we operate, the spread of COVID-19 continues to affect the social and economic environment. Amidst such conditions, we communicate with each of our overseas investees because we recognize the importance of ensuring their soundness, maintaining and improving the level of customer service, and ensuring their employees' safety.

Moreover, each of our investees is implementing various measures including the promotion of teleworking, the development of non-contact sales systems, and the computerizing and automation of procedures.



Sumitomo Life Medium-Term Business Plan 2022

Overseas operations

Strengthen business sustainability to continue to serve customers into the future

- With the aim of continuing to serve our customers well into the future, we will complement the earnings of our domestic life insurance business by incorporating the profitability and growth potential of overseas life insurance markets, thereby strengthening the sustainability of our business.
- We will also consider additional M&A activity and work to create synergies with overseas investees.
- We closely monitor the conditions surrounding our investees based on the economic and market environments of their countries, and support efforts to restore and enhance profitability as needed.
- We will also work to cultivate human resources to support overseas operations and enhance Group governance.

Looking back at fiscal year 2021

In addition to strengthening management and risk control systems, we have worked to enhance corporate value by providing our overseas investees with a wealth of life insurance business know-how that we have accumulated over our history of more than a century, by supporting in terms of human resources, and through intercompany personnel exchange and communication at various meetings. Moreover, we have been working on technical support and the cultivation of overseas human resources.

Furthermore, in light of uncertainties such as the impact of the protracted COVID-19 pandemic on management and the effect of inflation on long-term interest rates, we closely monitor the conditions surrounding our investees and provide support as necessary, while working to fortify

Group governance. Moreover, as part of efforts to generate synergies with overseas investees, we have decided to fully outsource overseas corporate bonds that we had previously managed to Symetra Investment Management Company (SIM), an investment advisory subsidiary of Symetra, and have developed a system to facilitate the implementation of this policy.

With regard to new M&A, we have officially integrated our business with the Singapore operations of Aviva Plc, a major UK insurance company acquired by our affiliate Singlife in 2020. In anticipation of future growth potential, we made an additional investment in the company, bringing our shareholding ratio to approximately 22%.

Future initiatives

We will continue to upgrade the governance structure for our overseas investees, with the aim of improving long-term customer benefits by strengthening the earnings base, diversifying risks, and reaping overseas market growth potential.

As far as Symetra is concerned, we will closely monitor the situation and provide support as necessary based on economic conditions and the pandemic, while fortifying Group governance. Moreover, we will take extensive measures toward generating synergies in the asset management field through SIM.

We will continue to monitor existing investments in Asia and promote technical support, personnel exchanges, and the dispatch of personnel with the aim of enhancing each company's corporate value.

We will also focus on cultivating human resources to support our overseas business, and through information collaboration and synergy with our overseas investees, we strive to sophisticate our asset management, diversify our product development, and create added value such as business innovation through utilizing InsurTech. We will continue to consider fleshing out new M&A opportunities.

Improve customer benefits

Achieve stable earnings for Symetra, enhance corporate value of Asian business, and consider new M&A opportunities

Demonstrate synergy

Collaborate in asset management, product development, IT, etc.

Absorb know-how through communication among specialized departments in each field and dispatching of trainees

Enhance Group governance

Promote accurate understanding of the management status of investee companies through monitoring and governance to achieve management targets

Cultivate human resources overseas

Planned cultivation of human resources as candidates for overseas dispatch

Strengthen the ability of each specialized department to carry out overseas operations

Overseas locations

In November 2005, we invested in PICC Life Insurance Co., Ltd. (PICC Life).

In March 2013, the Company acquired 18.00% of the outstanding shares of Baoviet Holdings of Vietnam.

In May 2014, we acquired approximately 39.99% of the outstanding shares of PT BNI Life Insurance (“BNI Life”), a life insurance subsidiary of PT Bank Negara Indonesia (Persero) Tbk, one of Indonesia’s major state-owned commercial banks. These are examples of how we have focused on business development in Asian markets, where we anticipate economic growth.

In February 2016, the Company entered the U.S. market—the world’s largest insurance market—by making U.S. life insurance group Symetra Financial Corporation (“Symetra”) a wholly owned subsidiary.

In April 2018, we opened the Sumitomo Life Digital Innovation Labs in Silicon Valley as a hub for promoting initiatives related to InsurTech. We dispatched personnel from our Company and Symetra to collect information and conduct proof-of-concept through interviews with startup companies.

In June 2019, we invested in Singapore Life Pte. Ltd., an emerging life insurance company in Singapore, making it an affiliate of the Company.

In November 2020, we made an additional investment to support Singlife’s acquisition of a British insurance company (Aviva Singapore), and in January 2022, Singlife and Aviva Singapore completed their business integration. Currently, our investment is in Singapore Life Holdings Pte. Ltd., and our shareholding ratio is approximately 21.74%.

In October 2021, we decided to fully outsource overseas corporate bonds previously managed by the Company to SIM, an investment advisory subsidiary of Symetra, and are presently putting into place a system that includes personnel dispatch.

In addition, we have established overseas representative offices in New York, Beijing, and Hanoi to gather a wide range of information on overseas insurance and other businesses, which we use to review advanced case studies and consider future overseas business development.



Ceremony commemorating investment in PICC Life



Signing ceremony for alliance with Baoviet Holdings



Signing ceremony for alliance with BNI Life



Symetra CEO Margaret A. Meister and President & Chief Executive Officer (at the time) Masahiro Hashimoto

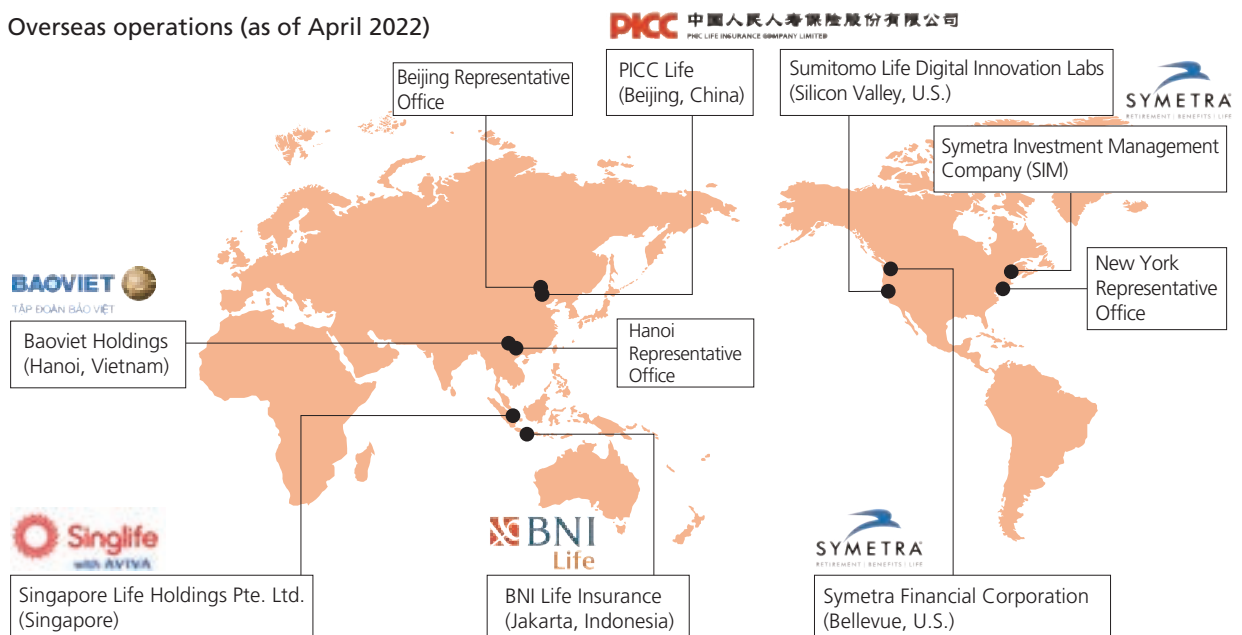


Plug & Play (Silicon Valley, U.S.)



Ceremony commemorating investment in Singlife

Overseas operations (as of April 2022)



Introduction of investee companies

U.S.



Symetra, founded in 1957, is a U.S. life insurance group with a highly sound financial position based on stable profitability from a balanced business portfolio through three business lines—individual life insurance, individual annuities, and employee benefits—and a conservative asset management policy.

We actively participate in Symetra’s management by dispatching executives and employees, including directors, to the company to confirm the status of business execution in each department and to periodically discuss key management issues.



Symetra executives visit Japan

Indonesia



In May 2014, we acquired approximately 39.99% of the total number of issued shares of PT BNI Life Insurance (by underwriting new shares issued by the company), a life insurance subsidiary of PT Bank Negara Indonesia (Persero) Tbk, one of Indonesia’s major state-owned commercial banks.

BNI Life provides insurance to individuals and groups through over-the-counter sales at banks utilizing a network of about 2,000 branches of Bank Negara Indonesia, as well as through sales representatives, employee benefits, and Sharia distribution channels (the sale of insurance products under Islamic law).

We dispatch executives and staff members, among them directors and auditors, to the company to provide technical support in areas including bank teller sales, group insurance, risk management, and insurance administration, while also actively participating in management.



BNI Life training in Japan

China



PICC Life is steadily expanding its operations by promoting a multi-channel strategy with more than 200,000 insurance agents (sales representatives) and over-the-counter sales through banks. It ranks seventh among the 90 life insurance companies in the country in terms of premium income in 2021. We dispatch directors to the company and are active participants in its management.



Divisions from both companies meet at PICC Life

Singapore



In June 2019, we invested in Singlife, whose business model is based on the use of advanced digital technology and low-cost operations, and made it our affiliate. In November 2020, we made an additional investment to support Singlife’s acquisition of a British insurance company (Aviva Singapore).

In January 2022, the business integration of Singlife and Aviva Singapore was completed, the merged life insurance company was named Singlife and branded as Singlife with Aviva, and brand integration measures such as the creation of a new logo are underway. As a result of this business integration, our investment was transferred to Singlife Holdings newly established.

The Company plans to leverage Singlife’s technology in its Aviva Singapore business platform as well as in its main financial advisory (FA) channel. In addition to prioritizing customers and digital technology, we will focus on delivering personalized services to each customer by expanding sales through the FA channel and deepening our mobile strategy.

In March 2022, the Company made an additional investment in the company in anticipation of growth, bringing its shareholding ratio in Singlife Holdings to approximately 21.74%. We will continue to be involved in and support the company’s management on a long-term basis.

Vietnam



In March 2013, we acquired 18.00% of the outstanding shares of Baoviet Holdings—Vietnam’s largest insurance and financial group—making us the largest private shareholder after the Vietnamese government. In December 2019, we singlehandedly underwrote a capital increase, bringing our shareholding ratio to 22.08%.

Baoviet Holdings owns life and non-life insurance companies, as well as securities company, asset management company, and other businesses. In 2021, Baoviet ranked first in life and non-life insurance premium income. We dispatch executives and staff, including directors, to the company to provide technical support—primarily related to the life insurance business—and actively participate in management.



Board of Directors of Baoviet Holdings

Products and Services

Sumitomo Life Medium-Term Business Plan 2022

Products and services

Development of products and services to meet diversifying customer needs

- In order to meet the increasingly diverse needs of customers, we will work to swiftly provide diverse products and services through collaboration between Sumitomo Life Group companies and our business partners.
- In an increasingly diverse society, in order to ensure that all customers can comfortably use our products and services, we will establish a system that enables us to provide services and responses that are appropriate to the situation and condition of each customer, and in a manner that they desire.



Implement initiatives to contribute to the expansion and evolution of "SUMITOMO LIFE Vitality"

Service reform

Promote the development of services that continue to be close to customers

Launched "Five-Year Savings-Type Whole Life Insurance" and "Sumisei Dementia Insurance"

In September 2021, we launched a level-payment whole life insurance policy with both death protection and asset building features. This "Five-Year Savings-Type Whole Life Insurance" meets the savings needs of customers in a wide age range—particularly younger customers who are less familiar with life insurance. The features of this product are that "after five years, the policy surrender value exceeds the amount equivalent to the premiums already paid," and that



"notice is not required and enrollment is simple."

In March 2022, we introduced "Sumisei Dementia Insurance" for elderly customers, which offers low premiums by limiting the scope of coverage and requires only four notices. We aim to become an "indispensable insurance company" for society, contributing to "well-being for all" through the launch of products based on the diverse needs of our customers.



Product development through business alliances

Sumitomo Life responds to a broad range of customer needs by forming business alliances as a means of responding flexibly to changing times.

■ Enhancing corporate-oriented products

After having reached an agreement in principle on a business alliance with NN Life Insurance in October 2016, we began handling its corporate term-life insurance in Sumitomo Life's sales representative channel in April 2017.



■ Sales of U.S. dollar-denominated insurance

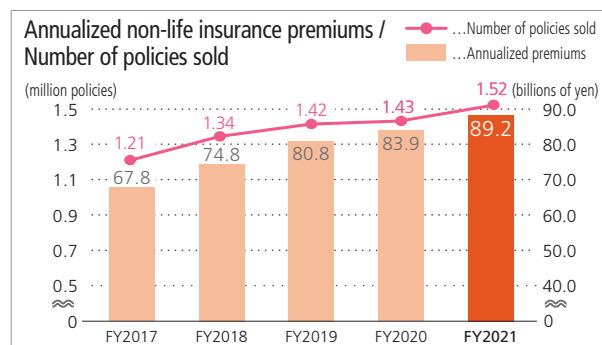
In order to better meet diversifying customer needs amid the prolonged low interest rate environment in Japan, we have entered into a business alliance with Sony Life Insurance and began offering Sony Life's U.S. dollar-denominated insurance policies through Sumitomo Life's sales representative channel in January 2019.



■ Non-life insurance business initiatives

In September 2008, we entered into a basic agreement with Mitsui Sumitomo Insurance Co., Ltd. to strengthen our business alliance. Since 2009, we have been selling its non-life insurance products through Sumitomo Life's sales representative channel.

We will continue to meet diversifying customer needs by providing the "GK series (automobile, fire, and personal accident insurance)," which responds to various risks surrounding individual customers, and non-life insurance products and services that support corporate customers' business activities, while providing "comprehensive coverage" that integrates life and non-life insurance.



Initiatives to maintain and improve customer service

■ Initiatives to improve customer convenience

In addition to those described in “Fusion of ‘Human’ and ‘Digital’” (see p. 20 for details), we are also implementing the following initiatives to ensure that customers can complete procedures quickly and conveniently.

Electronic procedures through Sumisei Direct Service

By logging in to “Sumisei Direct Service” via the Internet—whether at home or away—customers can check policy details, make deposits and withdrawals, change their address, and file benefit claims (customers can make deposits and withdrawals by phone or using affiliated ATMs). Customers can also view “Sumisei Anshin Dayori (newsletters for customers),” which contains policy details and notices from Sumitomo Life, through Sumisei Direct Service. We will continue leveraging information technology in promoting initiatives to improve customer convenience, including expanding the scope of electronic procedures.



Initiatives regarding customer inquiries

In addition to the conventional call center telephone service, we have established an environment that allows customers to make inquiries around the clock by accepting inquiries in a fixed form by email, enhancing FAQs on our website, and using AI chatbots in which AI tools automatically respond to inquiries made via chat.

Simplified handling of benefit claims

Moreover, we are working to reduce the burden on customers through measures such as expanding the scope of claims for hospitalization and outpatient benefits to include medical statements and other documents that can be used instead of a certificate from a physician upon claim payment, in addition to our accurate and careful administrative work, with the aim of ensuring claims are not missed.

Collaboration with external services

With the aim of visualizing customers’ post-retirement asset data, we have established a structure that enables the linkage of individual annuities (fixed annuities) information to FinTech businesses such as Money Forward, Inc.

This service will allow individual annuity (fixed annuity) policyholders to confirm the amount of annuities they will receive in the future and the period over which they will receive them through an asset management service provided by a FinTech business. This will make possible more comprehensive asset management.

■ Initiatives for the elderly, etc.

We are undertaking a host of initiatives to ensure that elderly customers as well as those with physical disabilities can continue their policies with peace of mind. Please also refer to our website for more information. (Only in Japanese)

Sumisei Family Assist Plus

We are encouraging our customers to apply for “Sumisei Family Assist Plus,” which allows predetermined persons to confirm policy contents, perform various procedures, and claim insurance and other benefits smoothly in the event that something should happen to policyholders and insured persons.



Dementia-related services

We launched “Dementia PLUS” and “Sumisei Dementia Insurance” to cover dementia, one of the major issues we face in a society of longevity. For customers subscribing to these products, we offer a simple telephone test to accurately assess mild cognitive impairment (MCI) status to support early detection of MCI and timely claiming of insurance and other benefits.

Completing reading and writing related to procedures on behalf of policyholder

In the interest of accommodating elderly customers as well as those with physical disabilities, we offer schemes that allow family members of the policyholder or insured person to complete procedures by writing on behalf of that person. Moreover, we also offer the option of writing on behalf of the policyholder, beneficiary, or other claimant on documents sent by mail, after confirming their willingness to proceed. Upon request, we also read claim documents and other documents on behalf of our clients.

Dealing with customers who are blind or visually impaired

To reflect customer feedback, the comprehensive notification “Sumisei Anshin Dayori” is equipped with a voice message identification code so that even the visually impaired can hear an overview.

Dealing with customers with hearing or speech difficulties

The call center handles inquiries through the telephone relay service provided by The Nippon Foundation Telecommunications Relay Service.

*Telephone relay service: Interpreter operators provide two-way telephone communication between people with hearing or speech difficulties and those who can hear by interpreting sign language, text, and voice.

Management Base

Sumitomo Life Medium-Term Business Plan 2022

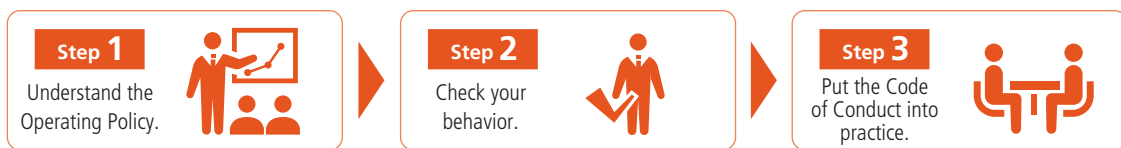
Management base

Establish a management base that provides lasting peace of mind

- We will further promote “customer-oriented business operations” by familiarizing, disseminating, and practicing the “Sumitomo Life Group Code of Conduct” to ensure we are working closely with customers in conducting all of our businesses.
- We will transform our corporate structure by investing for the future in order to continue to provide value to our customers into the future.
- We will conduct a fundamental review of existing operations to support investing for the future and the implementation of new initiatives under the new normal.
- We will create a work environment that ensures employee safety and allows them to be productive regardless of workplace or time.
- We will ensure the sustainability of our business and promote stable dividend distribution to our customers (policyholders) by striving to enhance ERM and risk management.

➤ Sumitomo Life Group Code of Conduct

These guidelines are established to ensure that the Operating Policy is put into practice at the behavioral level by executives and employees, and provide the basis for the entire Group to conduct ethical, responsible business activities.



Sumitomo Life Group Code of Conduct - Basic Stance

Customers' trust in us as the starting point of all our activities

Fulfilling social responsibility

Free and open corporate culture, where employees readily embrace challenges

Creating a healthy and enriched society

Protecting the global environment

Instill these values across the Sumitomo Life Group and among all executives and employees

Realization of customer-oriented business operations

■ Initiatives toward disseminating and implementing the Code of Conduct

In order to facilitate dissemination and implementation of the Code of Conduct, the “Code of Conduct Checklist” has been established, which provides common criteria on how each executive and employee should decide and act in the course of daily work. We are working to foster a corporate culture where executives and employees think and act from the viewpoints of customers, society, and coworkers.

In fiscal year 2021, we held meetings at each department and training for managers under the theme of “creating an organization with psychological safety.” Moreover, we are promoting the “visualization” and “sharing” of initiatives by disseminating information on good practices through the in-house online community of the Code of Conduct and internal web newsletters.

Code of Conduct Checklist

1) Does my behavior lead to satisfaction, peace of mind, and is it in the best interests of “customers”?

- ✓ Do I recognize that my behavior has an impact on many customers even if I am not directly dealing with customers?
- ✓ Do I accord priority to “customers” rather than the interests and convenience of the company and myself?

2) Can I explain my behavior to “society” with confidence?

- ✓ Am I taking appropriate action in light of the current circumstances, not simply following our customary way of doing things?
- ✓ Is my behavior socially appropriate and would not cause trouble to customers or the company even if it were reported by mass media or social media?

3) Am I considerate of “coworkers” in my behavior?

- ✓ Can I say that I would not be ashamed if my family or my loved ones knew of my behavior?
- ✓ Will I take action if I notice behavior that may be “inappropriate (in violation of laws and regulations or unethical)” in my workplace, rather than pretending that I saw nothing?

► Customer-oriented Business Operations

From the perspective of pursuing the best interests of its customers, Sumitomo Life established the “Policy on Customer-oriented Business Operations” on May 10, 2017. In order to enhance the effectiveness of this initiative, we have established a “Customer First Promotion Committee” chaired by the president of Sumitomo Life and composed of related directors and presidents of domestic subsidiaries engaged in life insurance and related businesses. The committee regularly reviews the “Policy on Customer-oriented Business Operations” and specific initiatives related to the policy, and promotes customer-oriented initiatives such as reflecting the voices of customers in management improvement.

Policy on Customer-oriented Business Operations

Sumitomo Life has established the following policy in order to reinforce promotion of customer-oriented business operations from the perspective of pursuing the best interests of customers.

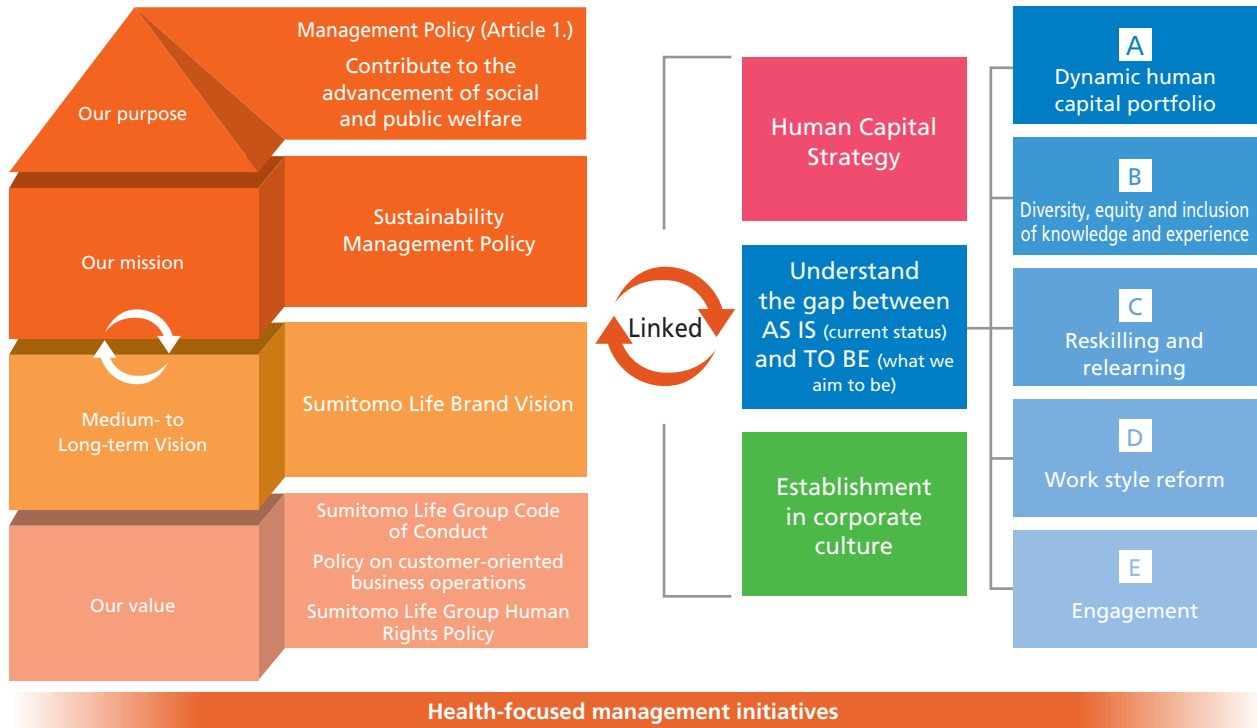
1. Practice of customer-oriented business operations and instilling of a customer-oriented corporate culture
At Sumitomo Life, in accordance with the Operating Policy, which consist of the “Management Policy,” “Sustainability Management Policy,” and “Sumitomo Life Brand Vision,” and the “Sumitomo Life Group Code of Conduct,” each and every executive and employee will conduct business with integrity, fairness, and in the best interests of our customers, and we will continue our efforts to ensure that customer-oriented business operations take root as a corporate culture.
2. Provision of the optimal products and services for customers
Sumitomo Life is committed to developing products that meet the diversifying needs of customers and contribute to the realization of a society of affluence, vitality and longevity. We will also propose optimal protection for each customer according to their conditions and needs when soliciting life insurance products. Moreover, considering that life insurance is a long-term product, we will continue providing information and other services to customers even after they have enrolled. We will also improve customer service by accurately, promptly, and faithfully paying insurance claims and benefits, an important core business of a life insurance company.
3. Provision of easy-to-understand information for customers
Sumitomo Life provides important information in an easy-to-understand manner to help customers to select life insurance products in line with the content of the product. With respect to specific insurance policies,* we will strive to provide easy-to-understand information, including disclosure of the various expenses customers will bear in accordance with relevant laws and regulations.
4. Asset management that supports provision of products suitable for customers’ needs and stable asset building
Sumitomo Life is committed to improving asset management while controlling risk appropriately in order to ensure stable asset formation for customers, to provide life insurance products that satisfy customer needs, and to ensure insurance benefits are paid into the future.
5. Employee education and evaluation systems that contribute to customer-oriented business operations
In addition to Japan’s Insurance Business Act and related laws and regulations, Sumitomo Life is committed to maintaining and enhancing customer satisfaction by supporting employees in acquiring the necessary knowledge regarding the solicitation of life insurance products. Moreover, we will strive to establish an evaluation system based on the solicitation of life insurance products and on their efforts to maintain and enhance customer satisfaction.
6. Establishment of systems for appropriate management of conflicts of interest and insurance solicitation management
Sumitomo Life shall establish an appropriate management system to ensure that customers’ interests are not unfairly impaired by conflicts of interest between the Company and customers or among customers from the perspective of protecting their interests. Moreover, we will establish an appropriate insurance solicitation management system to protect the interests of our life insurance policyholders.
7. Initiatives for enhancing the effectiveness of customer-oriented business operations
Sumitomo Life will create evaluation indicators in order to firmly establish customer-oriented business operations, and will periodically verify implementation status with an eye toward improving business operations and enhancing the effectiveness of various initiatives based on the policy.

*Foreign currency-denominated insurance, variable annuities, and other investment products with market risk

➤ Human Capital

Overview of human capital development initiatives

What is essential for contributing to the well-being of customers and society is “human value.” In order to enhance this “human value,” we launched the “Human Capital Development Headquarters” in fiscal year 2021 and have been working to integrate our business and Human Capital strategies based on our Operating Policy. We are committed to developing human resources and organizations that can respond flexibly as times change, and autonomously and continuously take on challenges as we move forward.



Establishment of dynamic human capital portfolio

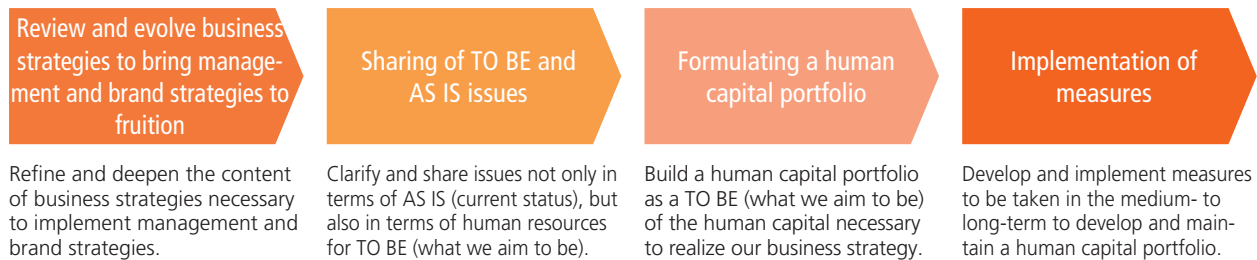
We have clarified “TO BE (what we aim to be)” and necessary skills and behavior (competencies) of the human capital that is going to implement our management and brand strategies and are working to identify the gap between “TO BE” and “AS IS (current status).”

We will then sequentially implement the necessary measures to fill the gaps identified.

■ Defining human capital for the realization of management and brand strategies for each department

In the following four phases, we, together with each department, clarify the gap between TO BE (what we aim to be) and AS IS (current status) of the human resources required to realize business strategy, and formulate a

dynamic human capital portfolio. Going forward, we will formulate and sequentially implement measures to be taken to develop and maintain the human capital portfolio that we have cultivated.



■ Building employee competency

We are working to define “competencies” to identify the kind of employees who can contribute to the well-being of our customers and society, and what kind of knowledge, skills, and behaviors they possess. Going

forward, we will use this as the basis for our human capital initiatives, making improvements each year and considering and implementing measures to improve competencies.

Sumitomo Life Insurance promotes Diversity, Equity & Inclusion (DE&I)

We are committed to creating a rewarding workplace where each member of a diverse workforce can flourish in their own way, in a fair environment and with mutual respect.

We will create new value and contribute to the “well-being for all customers and society” by having our diverse human resources maximize their capabilities, grow together, and continue to evolve.

■ Creating an environment where diverse human resources can work actively and productively

Every year, we hold a seminar on diversity for managers and are continuously undertaking other efforts to raise awareness and foster a culture of diversity. In addition to enhancing systems for balancing work with childcare, nursing care, and other family responsibilities, we are also promoting new ways of working, such as teleworking and flextime systems. In fiscal year 2021, the personnel system was revised to create new courses based on the desired range of relocation and to extend the retirement age to 65. Furthermore, we encourage the proactive career development of our diverse staff through such measures as the use of our existing post-employment systems: the changes to the occupation system and the system for supporting career progression.

Changes to the occupation system	System for supporting career progression
It is possible to change occupation from the General business track to the Managerial track, and vice versa. Approximately 350 people have changed from the general business track to the managerial track, and many are also active in managerial roles.	This is a system that enables the operations of a different organization to be experienced for a limited time. It supports career development through the broadening of employee knowledge and intellectual horizons. (Eligible roles are those in which transfers do not involve relocation)

User of the system for supporting career progression

<Transferred to the Minami Osaka Branch Office in April 2021 for one year>

At the branch office, I spent a very fulfilling year involved in a wide range of duties, including district office management, general affairs, and experience at a district office. This valuable experience has given me broader knowledge and perspective, and has enabled me to deal with people on the sales floor in a flexible manner.



Payroll-deducted Premium Collection Sect.
Yumi Kawaguchi,
Assistant Manager

■ Promote employment of persons with disabilities

We are actively working to employ persons with disabilities. As of April 2022, the employment ratio is 2.42%, exceeding the legally required rate. SUMISEI Harmony K.K., a special subsidiary, is also working to create new employment opportunities, including the deployment of satellite offices. Moreover, Sumitomo Life has established TomoWork, a non-profit organization, in Singapore with the aim of creating a new model of employment for persons with disabilities.



■ Initiatives to promote the active involvement of women

In April 2021, we formulated an action plan based on Japan’s Act on Promotion of Women’s Participation and Advancement in the Workplace, which covers the period until the end of fiscal year 2025, and we have been promoting a number of initiatives. As for the ratio of female managers, we are implementing systematic development and level-specific training programs. And, in support of male employees taking childcare leave, we are implementing a combination of individual encouragement to the relevant employees and their supervisors, and seminars to promote understanding among all employees.

Action plan based on the Act on Promotion of Women’s Participation and Advancement in the Workplace

- Target for female employees in managerial positions by the end of fiscal 2025: 50%
- Creating a comfortable workplace environment for all employees by targeting 100% take-up of paternity leave by employees

Ratio of female managers (As of April 2022)	Ratio of male employees who took childcare leave (Fiscal year 2021 results)
47.3%	100%

User of the childcare leave system

<Took 30 days of childcare leave in fiscal year 2020>

In addition to being present for many once-in-a-lifetime moments with my newborn child, I gained an understanding of how difficult housework and childcare are and the importance of family time. I am extremely grateful for the understanding of my supervisor and coworkers during my childcare leave. Since having taken leave, I have been working more efficiently toward being better prepared for unexpected situations.



Direct Service Planning Sect. (Branch Operations Support Sect. when taking childcare leave)
Ryosuke Yoshida,
Assistant Manager

■ Initiatives to support LGBT

As well as implementing training for all employees to promote understanding of LGBT issues, we distribute “ally stickers” to those who want them, and have also set up advice hotlines. We have also established the “Sumitomo Life Group Human Rights Policy,” which stipulates, among other things, that we will not discriminate or violate human rights in any of our business activities. And we are involved in social contribution activities such as donations to LGBT support organizations.



Reskilling and relearning

In order to be a human capital that is able to continuously offer new value in a society and environment that continue to change rapidly, it is important that each and every employee will continue to learn autonomously. In an attempt to see employees working with enthusiasm and satisfaction, or achieve the well-being of employee, we are making various efforts centered on promoting career development and creating an environment that supports learning and growth.

■ Promotion of career development

By visualizing goals and action plans to achieve the career to which our employees aspire, we encourage clarifying what they want to be and an image of what the future looks like, as well as getting an objective grasp on their own growth.

Self-career management

This program is conducted for Managerial track employees. Each employee selects and declares his or her preferred work area as “My Career” of his or her own volition. We assign duties and roles to employees based on their preferences, and manage human resources with the aim of ensuring that they become successful in their chosen area.

■ Learning practices

We have established many types of support for self-improvement from the perspectives of improving the abilities of each staff member, shifting to customer-oriented operations, enhancing support for sales staff, and supporting their autonomous career development.

Support for self-development expenses

With a view to promoting and supporting employees’ self-improvement toward further self-growth and increased productivity, the Company subsidizes a portion of the cost of correspondence and commuter courses, business schools, and outside seminars that employees take.

Yu-katsu Lecture

We invite leading experts in their fields as lecturers to conduct open seminars monthly on a wide range of topics, including building work methodologies and expertise and fostering social perspectives.

e-Learning

We have a system in place that allows employees to choose from 15 themes to readily learn the skills they need for their business at any time and from their smartphones, tablets, or computers during their free time.

■ Creating a culture that supports learning and growth

We provide an environment that supports staff autonomy and encourages career development.

One-on-one meetings

We promote regular implementation of one-on-one meetings to revitalize the organization through the promotion of experiential learning and daily dialogue, and strive to create a lively work environment.

It is not an opportunity for the dialogue partner (listener) to give guidance or advice; rather, the listener’s role is to encourage reflection and awareness on the part of the subject (speaker). For this reason, we try to keep in mind that dialogue partners should be committed to listening with the image of being a wall for hitting balls. Moreover, we have devised a flexible approach to selecting dialogue partners, rather than limiting it to supervisors.



■ Career reflection

We offer the following training programs to provide employees the opportunity to review their career to date, to think about their future career, and to relearn knowledge required to achieve it.

Career design training

The program is offered to managerial track employees who are in their 18th year with the Company.

The purpose of this event is to help employees around the age of 40 who are currently performing important duties for the Company reaffirm their own values, broaden their perspectives on their future careers, and expand their personal strengths.

Career support training

This program is offered to managerial track employees who will turn 55 years old, so that they can continue to play an active role until the age of 65, in line with the extension of the retirement age introduced in fiscal year 2022.

The purpose of this event is to review past experiences and strengths, think about a future career path, and clarify actions to be taken to enable them to approach duties in a more positive manner.



One-on-one meeting with Supervisor

Work style reform

■ Initiatives for “work style reform” - WPI (Work Performance Innovation) project

We aim to allow each employee to focus on “customer-oriented work” using the time created through streamlining operations by introducing new infrastructure and through reviewing existing operations. Moreover, we aim to further improve the productivity (performance)

of the Company as a whole by creating a workplace where employees can “work in good health and with enthusiasm” through such measures as restricting long working hours, promoting the use of leave, and introducing a system that allows flexible working styles.

Priority initiatives for fiscal year 2022

In fiscal year 2022, we will focus on the following initiatives to improve productivity from the customer’s perspective.

Proactively and continuously reviewing work and taking on new tasks

- Rather than simply reducing work and going home early, we will establish a cycle in which each staff member proactively and continuously reviews his or her own work, and applies the time created to “themes in which they have been interested although they have not had enough time thus far,” and “themes that create new value.”

Raising the levels of work processes and work styles

- Work from anywhere and at any time
We will make customary work styles in which employees intentionally choose where and when they work, utilizing teleworking, staggered work shift, and flextime systems. In this context, each employee will perform their duties independently and systematically. And, by efficiently organizing their working hours, employees will systematically take paid leave at a pace of at least one day per month, leading to life enrichment and personal growth.
- Reform methods of work and communication
We will work at a fast pace by establishing business processes and active, smooth communication habits that allow everyone to participate in discussions and carry out projects regardless of work location or time.

Relocation of Tokyo Head Office

With the relocation of the Tokyo Head Office scheduled for February 2023, we will implement a style of work that supports the further creation of value and disseminate it throughout the Company, leading to further evolution of work style reform.

From 2015: “Work Style Innovation” management
From 2017: “Work Style Reform Management”

From 2018

From 2020

Refraining from long working hours

- ✓ Reduction of total working hours
- ✓ Leaving the building by 8:00 p.m.
- ✓ Forced computer shutdown
- ✓ Promoting use of leave
- ✓ Curtailing top-down operations

*1 The “20% start, 80% finish” approach is an effort to prevent work from needing to be redone and excessive quality in the preparation of materials. The preparer confirms the direction to the requesting person at the initial stage of material development (20% complete). Then, the preparer submits the materials when completing (80% complete). The requesting person is satisfied if the content meets their expectations, and does not request to revise the appearance, style, or other aspects of the materials.

*2 The “WPI Suggestion Box” is a place where all employees can freely post ideas for improving efficiency gleaned from their daily work, or changes that they feel might help us to better serve our customers. The appropriate department at the head office will respond to comments submitted by noting whether or not they will consider taking action, and if not, rationale for the decision. The contents of the response will also be available for all employees to see.

Transformation of awareness and behavior <Launch of WPI project>

Transition to customer-oriented work

- ✓ Review of internal standards and rules
- ✓ Elimination of internal reporting duties
- ✓ Visualization (sharing) of operations

Increased hourly productivity

- ✓ Leaving the building at 7:30 p.m.
- ✓ Improved efficiency of meetings
- ✓ Full leveraging of new IT infrastructure
- ✓ “20% start, 80% finish”^{*1}
- ✓ Computerized procedures
- ✓ Promotion of eliminating use of paper
- ✓ Productivity-based personnel evaluations

Realization of healthy, lively workplaces

- ✓ Staff upskilling and self-development
- ✓ Work location and time flexibility
- ✓ Promotion of health-focused management

■ Status for FY2021

Reduction in total working hours (compared to 2016*)	Ratio of employees who took paid leave of at least one day per month
Reduction of 11.2%	76.7%

*Endeavoring to reduce total hours worked by 10% from FY2016

Improvement of work-life balance (reform of lifestyle) <Evolution of the WPI project>

Proactive, continuous review of operations

- ✓ Proactive review of operations and tackling initiatives toward the creation of new value
- ✓ Bottom-up review of operations through the “WPI Suggestion Box”^{*2}
- ✓ Further, drastic reduction and streamlining of existing operations
Thirty-percent reduction in existing work at each division at the head office
Cross-sectional department review
Swift top-down review of existing operations

Raising the levels of work processes and work styles

- ✓ Vigorous discussions inside and outside the Company
- ✓ Workplace support using digital tools
- ✓ Intentionally choose work location and time based on work and life situations
- ✓ Anyone can smoothly proceed with projects regardless of where they are
- ✓ Schedule appropriately, perform duties proactively and systematically
- ✓ Promote taking at least one day of paid leave per month

Provide a pleasant work environment

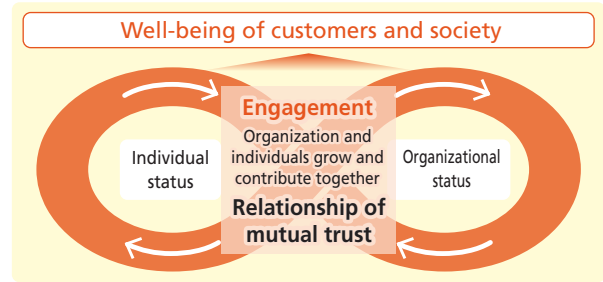
- ✓ Create a rewarding work environment
Revision of personnel system, career development, human resource cultivation, relocation of Tokyo Head Office, etc.

Engagement

■ Initiatives toward improving engagement

In order to increase corporate value, each and every employee must work with a sense of fulfillment and vigor, and make maximum use of their individual abilities. As such, we are fortifying our efforts to improve engagement.*

* "Engagement" in the context of human capital efforts refers to an employee's affection for the Company and satisfaction with his/her job. "The engagement score" is a figure to indicate the level of engagement from multiple perspectives.



■ Introduction of engagement survey

We introduced the engagement survey in fiscal year 2021 in order to grasp the degree of engagement of each of our employees and use it in implementing the PDCA cycle to improve employee engagement.

Scores* for the first year are as follows. We aim to improve this score by implementing a variety of initiatives going forward.

*Proportion of respondents who chose a "favorable answer ('strongly agree' or 'agree')" out of 5 levels.

Employee engagement score	Environment for active employee participation
63% (Ratio of favorable responses)	72% (Ratio of favorable responses)



Employee job satisfaction

■ Initiatives toward health-focused management

Under the "Sumitomo Life Group Health-focused Management Declaration" formulated in April 2017 (revised in July 2021), we believe that in order for each and every employee to enthusiastically maximize their individual abilities, above all, employees and their families must value their mental and physical health and achieve "well-being."

Through the "Japan Vitality Project," Sumitomo Life supports customers in maintaining and enhancing their health, and works to solve the social issue of extending healthy life expectancy and "create new value" that can be shared by its customers, society, employees, and the Company. Underpinning the foundation of this are the "awareness" and "actions" of each and every employee regarding health. We will do our utmost to support our employees and their families in actively engaging in health maintenance and enhancement activities, and build a sustainable management structure to contribute to the realization of a sustainable society as outlined in the SDGs.

The Human Resources Dept. has a secretariat for administering the "health-focused management" program, and works closely with

the various departments. Moreover, the outcomes of each year's activities and the activities for the following year are reported to and approved by management at the Executive Management Committee, which is chaired by the president and comprises executive officers, with the aim of promoting health-focused management.

In fiscal year 2021, we promoted various initiatives and achieved the target for the key indicator "proportion of persons eligible for secondary health checkups fewer than 30%" (result: 28.2%) and also achieved "100% of primary health checkup uptake rate."

In fiscal 2021, the Company was recognized for its efforts, and for the fifth consecutive year was certified as a "White 500" company of the 2022 Certified Health & Productivity Management Outstanding Organizations Recognition Program under the Ministry of Economy, Trade and Industry's certification system for corporations with excellent health-focused management.



	Key initiatives of health-focused management	Indicators	Assessment Items	Results (fiscal year 2021)
Health management	<ul style="list-style-type: none"> Improve the uptake rate of regular and secondary health checkups, and provide specified health guidance and lifestyle improvement guidance Implementation of projects to prevent severe diabetes. Initiatives toward improving the health checkup uptake rate for family members. Promotion of the use of the Health Screening and Breast Cancer Examination Cost Subsidy Program. Promote the use of telephone health counseling. Provide mental health counseling. Assign dedicated in-house staff (consultation service). Recommend stress check and analyze/utilize test results. Interviews with industrial physicians (only those who want them). 	Regular health checkup	Primary health checkup uptake rate	100%
			Proportion of persons eligible for secondary health checkups	28.2%
			Secondary health checkup uptake rate	60.6%
		Special health checkup	Uptake rate	76.7% (fiscal year 2020)
		Specified health guidance	Guidance completion rate	33.4% (fiscal year 2020)
Reduction of health risks	<ul style="list-style-type: none"> Work style reform entailing reduction in working hours through drastic reduction in work volume. Publicize the various hotlines (contact points). Promote cessation of smoking. 	Number of smokers	Proportion of smokers	23.7%
Encouraging health maintenance and enhancement activities	<ul style="list-style-type: none"> Leverage ICT to provide health information (lifestyle-related diseases, diet, smoking, sleep, alcohol consumption, etc.). Promote operational reinforcement of measures using body composition analyzers and health enhancement applications. Hold "walking campaign" in spring and fall. Conduct health events and seminars. Encourage wearing of sports shoes during commute. Provide guidance on improving diet, etc. via app. Offering healthy menu at each head office cafeteria. Indicate salt content and other information on menus. 	Walking campaign	Number of participants	21,197

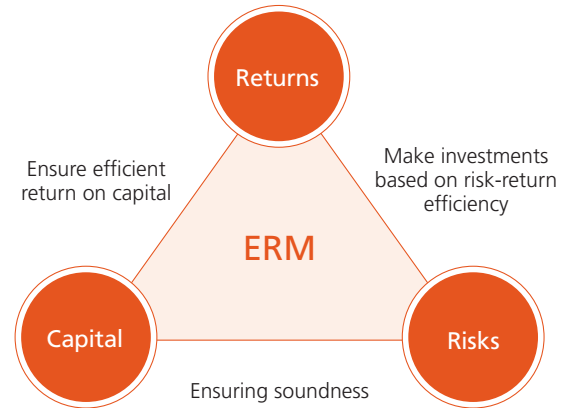
► Promotion of ERM

ERM concept

In the Sumitomo Life Medium-Term Business Plan 2022, “increased sophistication of ERM*” is positioned as one of the initiatives in “Management Base” as in the previous medium-term business plan.

* “ERM” stands for Enterprise Risk Management

Specifically, we will work to increase the sophistication of ERM—as well as risk management—and promote more integrated management of return, risk, and capital to secure business sustainability, while promoting stable dividend returns to customers (policyholders).



Application of ERM to management

Based on the above ERM concept, we formulate a “Risk Appetite Statement” that clarifies our management risk appetite—both qualitative and quantitative—which outlines what risks we will take and to what extent we will take risk to earn a return through effective use of capital, and then strive to further sophisticate ERM

through the PDCA cycle: formulate a management plan consistent with the risk appetite (Plan), execute management measures (Do), monitor the progress of the plan (Check), and revise the plan and other measures as required (Action).

Universal attitude toward risk as a basis for management (long-term risk appetite)

- The Sumitomo Life Group will exercise appropriate risk control, mainly through risk-taking in insurance underwriting and asset management.

Medium-term risk appetite in response to the environment during the medium-term business plan period (2020–2022)

Risk Appetite Statement

- We aim to sustainably increase the Group’s corporate value by securing stable earnings and capital by taking risk through insurance sales, and by effectively utilizing capital for new risk-taking in asset management, overseas business, and value creation through collaboration with other companies.
- We will effectively use capital to efficiently increase corporate value while adhering to a balance between risk and capital that will sustain our business even in the face of deteriorating market conditions.

Formulated “Sumitomo Life Medium-Term Business Plan 2022” based on risk appetite

Company-wide business plan

Determine and execute capital allocation after verifying risk-return and other factors to make effective use of capital.

Life designers (sales representatives)	Bancassurance Banks, Financial institutions, etc. and Insurance Outlets	Asset management	Overseas operations
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- Promote ERM to ensure sustainability of each business
- Promote stable return of dividends to customers through sustainable enhancement of the Sumitomo Life Group’s corporate value



Message from an Outside Director

We will focus on promoting “collaboration” with stakeholders to realize a sustainable society.

Toshiko Katayama, Director

● How do you view your role as an outside director?

Along with legal checks in my capacity as an attorney, we emphasize supervision from the perspective of the consumer.

I recognize that my role as an outside director is to confirm from a legal perspective whether the Company’s important decisions and business operations are being executed properly, while providing advice on whether the Company is being managed from the consumer’s perspective.

In my career as an attorney, which spans approximately three decades, I have worked on a variety of consumer issues, including product accident issues involving product liability and collective transactional damage caused by unscrupulous vendors. Based on this experience, I am convinced that in order to realize a society in which people can live with peace of mind and

to achieve a fair market environment, it is important for consumers and businesses to know and understand each other and “work together,” which is the only way both parties can enjoy long-term benefits.

At Sumitomo Life, the viewpoint of our customers is of course very important, but we must also consider what constitutes a fair and prosperous society from the viewpoint of all stakeholders, and work together with society to achieve sustainability. We believe that by continuing these corporate activities, we will earn the trust of society, which in turn will enable us to sustainably enhance our corporate value. Does each and every employee of Sumitomo Life comprehend the importance of working toward this goal, and is there a system in place that enables us to address this goal as an organization? While considering these points, I do my best to offer objective opinions.

● How would you assess Sumitomo Life’s “consumer-oriented management”?

The consumer perspective is ingrained in each and every member of the Company. I feel we should place even greater emphasis on dialogue.

I alluded earlier to the importance of consumers and businesses understanding and cooperating with each other in order to implement consumer-oriented management, but I personally became aware of this from

my 10 years or so of experience as a member of the “Customer Satisfaction Enhancement Advisors Meeting” before being appointed outside director.

At this meeting, people in the field, including those from the Customer First Promotion Dept. and the Product Dept., and external advisory staff including me gathered to discuss in depth measures to heighten customer satisfaction. Those responsible asked for opinions on a

variety of issues, and I remember being really surprised at how serious they were about improving their company's services from the consumer's point of view. Thanks to the mutual understanding and clarification of direction that emerged from these discussions, we were able to improve the actual measures from the perspective of the people who use our products and services. I believe this is truly the result of dialogue with the people in the workplace.

Dialogue with consumers is also very important. For example, our flagship product, SUMITOMO LIFE Vitality, is an insurance policy that places great importance on the perspective of the customer, but its value is not yet well understood by the public. What is Sumitomo Life attempting to offer to society through SUMITOMO LIFE Vitality? It provides a system that enables people to live

long, healthy, secure, and prosperous lives. If we can help consumers to better understand this, this would naturally inspire them to say, "That sounds good, maybe I should consider enrolling."

Going forward, it will be important to not only provide information through commercials and other media, but also to engage in detailed "interactive communication" by meeting consumers in person and through interactive platforms such as social media. This should also allow consumers to inform us of their further needs and challenges. I wonder if every one of our employees are cognizant of the need for continued effort to engage in such dialogue. I hope to be able to find out for myself by exchanging views with people in the workplace.

● What is your assessment of the effectiveness and management of the Board of Directors?

In my view, the Board is very effective. In the future, it will be important to evaluate effectiveness from a sustainability perspective.

At present, I rate the effectiveness of Sumitomo Life's Board of Directors quite highly. As management strategy, governance, and other matters continue to grow, we are now able to take the time to deliberate on important agenda items. I believe that the discussions are more active than ever before.

Monitoring the Board of Directors from a sustainability management perspective is, in my view, essential in the Board's further evolution. We need to fortify checks from a sustainability perspective in the execution of all business operations, encompassing everything from management issues, investments, to involvement in environmental issues. At the same time, we ourselves need to continue to gather information and learn about new movements and the various initiatives of governments and corporations toward a sustainable society.

* The four tenets of the Sustainability Management Policy are: "Sound Operations of the Insurance Business," "Efforts to Resolve Social and Environmental Issues," "Creating a Company that Continues to Grow," and "Collaboration with Stakeholders."

I am also particularly interested in whether the four tenets* of the Sustainability Management Policy are being adequately implemented throughout the organization. We will also strictly confirm whether a system has been established to achieve these tenets, and whether they have been incorporated into all areas of the organization.

The most essential perspective among them is collaboration with stakeholders. This is because not only corporations but also governments, municipalities, and consumer groups are now committed to sustainability and we are convinced that true collaboration and cooperation between these organizations and Sumitomo Life will lead to the realization of sustainability in a more diverse and wider range of areas. Sumitomo Life has already launched several initiatives, but I believe that further efforts are needed. At the same time, Sumitomo Life should play a vital role in creating a sustainable society through collaboration.

● What are your future expectations for Sumitomo Life?

I would like to see well-being permeate society and enhance its value.

Sumitomo Life has positioned the development of an ecosystem of services that support "well-being for all" as "Well-being as a Service (WaaS)," and is working to provide well-being to customers, employees, and every member of society. And while our primary aim is to promote awareness and understanding regarding this issue, we recognize that, like SUMITOMO LIFE Vitality, it requires even greater focus.

Well-being is a wonderful concept, and my perception of it is that it is the goal of a society where people can enjoy longevity with good physical and mental health,

and a society where people can lead rich lives and be true to themselves. I also believe that more people need to understand that well-being is a value that only Sumitomo Life can provide to society, and that by doing so we are helping to create a prosperous future.

Naturally, well-being is not something that Sumitomo Life can realize on its own. It is essential that we coordinate and collaborate closely with the national government, local governments, and related corporate services. From this perspective, I hope that Sumitomo Life will take a leading role in collaborating with diverse stakeholders and opening up the possibilities of a valuable ecosystem of well-being. I pledge to do my best to provide advice and assistance in achieving this goal.

Corporate Governance

Mutual Company Management

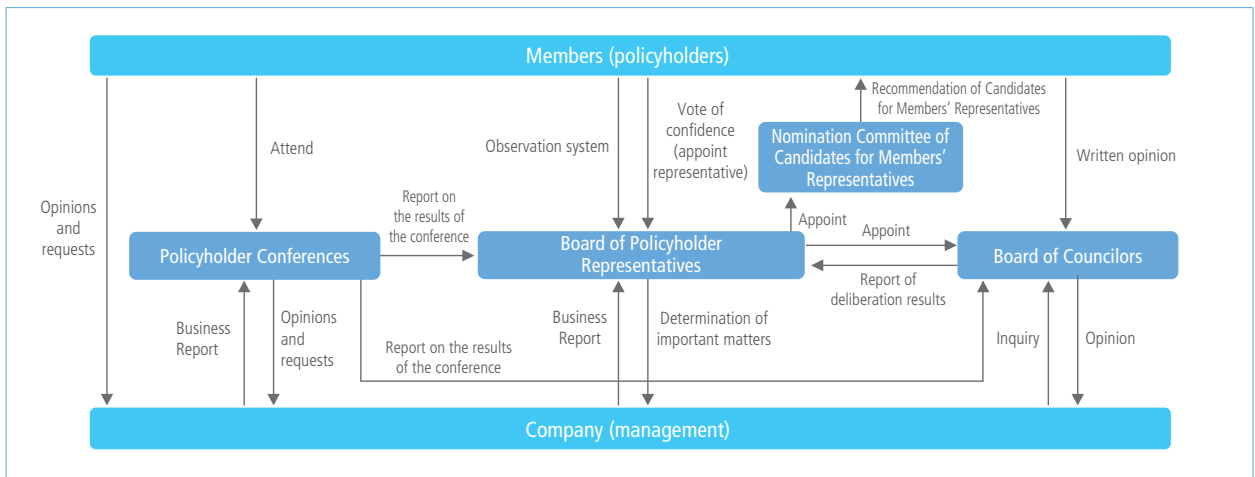
Life insurance is a business of a highly public nature based on a system of “cooperation” and “mutual aid.” Many people make contributions through premiums and receive insurance claims and benefits in the event of death or illness.

There are two types of insurance companies: “mutual companies” and “joint stock companies,” and Sumitomo Life is the former. (A mutual company is an organizational form recognized by the Insurance Business Act for insurance companies).

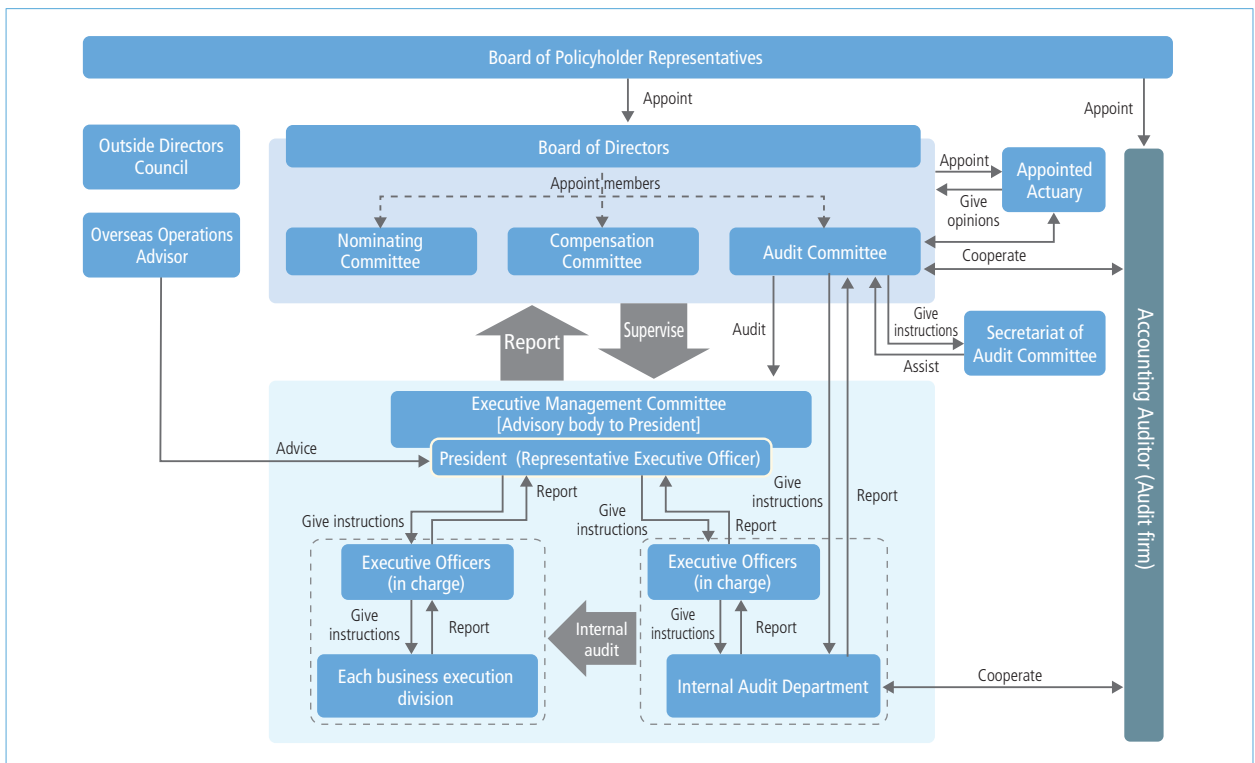
Unlike a joint stock company, a mutual company has no shareholders. Each policyholder is a member of the Company (however, policyholders who only purchase insurance with no distribution of surplus are not members in accordance with the provisions of Sumitomo Life’s Articles of Incorporation).

By building a highly transparent mutual company organization, Sumitomo Life aims to be a company that values the voices of its customers.

Mutual Company Scheme



Management Control Structure



About the Board of Policyholder Representatives

Pursuant to the provisions of the Articles of Incorporation, the Board of Policyholder Representatives is established as an alternative to the general meeting, and the Board of Policyholder Representatives makes resolutions on the appropriation of surplus, amendments to the Articles of Incorporation, election of directors, and other matters.

The policyholder representatives elected from among the members are invited to attend the Board of Policyholder Representatives.

■ Observation System for Board of Policyholder Representatives

In order to deepen members' understanding of the Company's management, we have established a system for observing the Board of Policyholder Representatives, whereby members may apply in advance to observe a meeting.

Application procedures and related information will be posted on the website for a certain period of time prior to the Board of Policyholder Representatives.

*The number of policyholder representatives and the method of appointment are listed on p. 100

■ Results of the 2022 Annual Board of Policyholder Representatives

The Annual Board of Policyholder Representatives was held on Tuesday, July 5, 2022, in Osaka City, Japan. The matters reported and matters of resolutions are as follows.

In order to encourage more policyholder representatives to participate in the meeting, it was open to online viewing from their homes or other remote locations, and we also was able to receive feedback from online participants. Moreover, details concerning the Board of Policyholder Representatives was available on our website at a later date.

[Matters reported and matters of resolutions at the Board of Policyholder Representatives]

Matters reported	<ol style="list-style-type: none"> 1. The Business Report, Balance Sheet, Statement of Income, Statements of Changes in Net Assets, and Consolidated Financial Statements for the fiscal year ended March 31, 2022, and the Reports of the Accounting Auditor and the Audit Committee on the results of their audits of the Consolidated Financial Statements 2. Items for deliberation by the Board of Councilors
Matters of resolutions	<p>Proposal 1: Approval of the proposed appropriation of surplus earnings for fiscal year 2021</p> <p>Proposal 2: Allocation of dividends to Policyholders</p> <p>Proposal 3: Appointment of eleven (11) directors</p>



2022 Annual Board of Policyholder Representatives

The minutes of the Board of Policyholder Representatives and a summary of the questions and answers are posted on our Japanese website.

About Policyholder Conferences

We hold the Policyholder Conferences annually at our branch offices and other locations nationwide to explain our business situation to policyholders, to secure their understanding, and to absorb their wide-ranging opinions and reflect them in the management of Sumitomo Life. The Policyholder Conferences is held between January and March prior to the Board of Policyholder Representatives in order to coordinate with the latter.

Moreover, from the viewpoint of diversifying the appointment method of policyholder representatives, a certain number of policyholder representatives are appointed from among the attendees to the Policyholder Conferences.

Information on how to apply for participation will be posted at branch offices and district offices nationwide for a certain period of time prior to the meeting.



■ 2022 Policyholder Conferences

In 2022, 89 meetings were held nationwide, which were attended by 1,587 policyholders.

We immediately incorporate into our management the opinions and requests from Policyholder Conferences that can be put into practice, and analyze the trends to help us promote management that most accurately reflects our policyholders' wishes.

[Number of times held and number of attendees]

	2021	2022
Number of times held	89	89
Number of attendees (average per meeting)	1,497 (16.8)	1,587 (17.8)

About the Board of Councilors

The Board of Councilors was established to deliberate on matters of consultation from the Company and important management matters, and is composed of members or academic experts who are elected by resolution of the Board of Policyholder Representatives. The Board of Councilors also discusses, as necessary, opinions concerning management submitted in writing by members.

The number of members of the Board of Councilors is limited to no more than 25 in accordance with the Articles of Incorporation.

The table below shows the status of the meetings held in fiscal year 2021.

[Fiscal year 2021 Board of Councilors]

	Agenda
1st meeting: May 2021	<ul style="list-style-type: none"> •Business overview and proposed financial results for fiscal year 2020 •Initiatives for fiscal year 2021
2nd meeting: November 2021	<ul style="list-style-type: none"> •Business overview for the first half of fiscal year 2021

Management Control Structure

The Company chooses to be a Company with Committees in order to strengthen the supervisory function of the Board of Directors by systematically separating supervision and execution, and to speed up decision-making through significantly delegating authority to Executive Officers.

Moreover, the Company has established “Criteria for Independence of Outside Directors” by resolution of the Board of Directors, and confirms that the criteria for independence are met when selecting outside director candidates.

Certain matters of resolutions by the Board of Directors are referred to the Nominating Committee, the Audit Committee, or the Compensation Committee.

Furthermore, the “Outside Directors Council,” comprised of all outside directors, has been established to facilitate exchange of opinions among the outside directors and with top management, regarding important management matters such as those concerning medium- to long-term management strategies and business development.

Through these efforts, the Company is poised to proactively reflect external knowledge in its management.

As we recognize that effective corporate governance practices will contribute to the Company’s sustainable growth and medium- to long-term enhancement of corporate value, we will continue working to ensure the effectiveness of corporate governance.

Primary institutional roles

■ Board of Directors

The Board of Directors’ main roles are to make decisions on matters such as basic management policies and matters concerning the development of internal control systems, which are legally designated as matters to be exclusively decided by the Board of Directors, and to oversee the execution of duties by Executive Officers and Directors.

In light of the need to proactively reflect external knowledge in the management of the Company and to ensure diversity on the Board of Directors, there are six outside directors out of eleven directors; thus outside directors have a majority.

■ Nominating Committee

The Nominating Committee formulates the “Policy for appointment of candidates for Directors,” determines the content of proposals to the Board of Policyholder Representatives concerning the appointment and dismissal of directors, and in consultation with the Board of Directors, deliberates on matters concerning the appointment and dismissal of executive officers, and reports to the Board of Directors.

The committee comprises five members—three outside directors and two directors—and is chaired by an outside director.

■ Audit Committee

The Audit Committee audits the execution of duties by executive officers and directors and prepares an audit report. It also decides on the content of proposals to be

submitted to the Board of Policyholder Representatives concerning the appointment, dismissal, or non-reappointment of accounting auditors. Furthermore, it receives consultation from the Board of Directors on matters related to the development of internal control systems, deliberates, and reports back to the Board.

The committee comprises four members—three outside directors and one director—and is chaired by an outside director. The Audit Committee member who is full-time director of Sumitomo Life is designated as “full-time Audit Committee members.”

■ Compensation Committee

The Compensation Committee formulate policies for determining the details of individual compensation for executive officers and directors, determines individual compensation for executive officers and directors, receives consultation from the Board of Directors on matters related to the basic policy on compensation for employees, deliberates, and reports to the Board.

The committee comprises five members—three outside directors and two directors—and is chaired by an outside director.

■ Outside Directors Council

Sumitomo Life has established the Outside Directors Council—comprising all outside directors—to promote free and vigorous exchange of opinions among outside directors and between outside directors and representative executive officers concerning medium- and long-term management strategies, business development, and other important management matters, and to ensure the knowledge of outside directors is reflected in the management of the Company.

■ Executive Management Committee

The Executive Management Committee has been established as an advisory body to the president, who is responsible for the management and execution of the Company’s operations.

In principle, the Executive Management Committee is composed of the president and executive officers in charge, and is held once a week.

It deliberates on important matters related to business execution pursuant to the basic management policies determined by the Board of Directors.

Compliance with the Corporate Governance Code

As a mutual company, Sumitomo Life is not directly subject to the “Corporate Governance Code” set forth by the Tokyo Stock Exchange, but will voluntarily comply with the Code based on the recognition that corporate governance is common regardless of the type of company.

As part of the disclosure and explanation of the status of compliance with the “Corporate Governance Code,” a “Corporate Governance Report” is prepared on a voluntary basis, and “disclosure based on each principle in the Corporate Governance Code” is also made.

The “Corporate Governance Report” and other documents are available on the Company’s website.

Summary of the Results of the “Evaluation of the Effectiveness of the Board of Directors, etc.”

01

Sumitomo Life Value Creation

02

Sumitomo Life Management Strategies

03

Base to Support Value Creation

The Company evaluates the effectiveness of the Board of Directors and three statutory committees (Nominating Committee, Audit Committee, Compensation Committee) (hereinafter, collectively referred to as the “Board of Directors, etc.”) once a year, in order to enhance their functions.

In evaluating the effectiveness of the Board of Directors, etc., the Company conducts a questionnaire survey of all directors, and the results of the survey are discussed at the Outside Directors Council which is composed of all outside directors, before the resolution of the Board of Directors.

The following is a summary of the evaluation results.

Summary of the Results of the “Evaluation of the Effectiveness of the Board of Directors, etc.” for FY2021

1. Evaluation results

The Company determined that the Board of Directors, etc. are functioning effectively in terms of both decision-making and supervision functions. On the other hand, in recognition that there is room for further enhancement, the Company will take measures for their resolution and work to further increase effectiveness.

The majority of the responses to the survey questions were “approve” or “generally approve.”

Moreover, the Outside Directors Council made suggestions and offered opinions to further improve the effectiveness of the Board.

The following is a summary of the evaluation of each item.

Composition of Board of Directors

The Council judges the number of directors to be appropriate for substantive discussions. On the other hand, due to the resignation of an outside director during the fiscal year, the Board is composed of an equal number of outside directors and full-time directors. From the viewpoint of further strengthening corporate governance, it is desirable to have a majority of outside directors.*

Furthermore, outside directors are well-balanced with specialists with diverse knowledge and backgrounds in fields such as management, finance, accounting, and legal. While the composition of the Board of Directors is appropriate for conducting substantive discussions, the Company recognizes the importance of continuing to ensure diversity—including a review of the skills required of directors—in response to the business environment in which the Company finds itself.

Board of Directors operations and support

- Items to be discussed at the Board of Directors meetings have been continuously reviewed and appropriately filtered.
- While some improvements have been made in the Board of Directors’ meeting materials, there is room for further improvement to contribute to the enhancement of the Board of Directors’ deliberations.
- The Company provides explanations in advance of Board of Directors’ meetings to outside directors at the same time. Beyond the original purpose of deepening understanding of matters to be discussed at Board meetings in advance, such explanations are also evaluated as effectively functioning as a forum for gaining the perspectives of other outside directors.

Enhancement of deliberations at Board of Directors’ meetings

- While it is judged that, on the whole, free and vigorous discussions are conducted under appropriate management of the proceedings, further enhancement is needed for discussions on medium- to long-term visions and other issues in light of changes in the external environment.

Measures to be taken to demonstrate the function of a director/Board of Directors

- Support for outside directors is provided through training sessions in addition to advance briefings for Board of Directors’ meetings. Appropriate measures have been taken to contribute to the understanding of the Company’s business operations, but from the perspective that outside directors can play an even greater role, it is desirable to continue to enhance the provision of information in line with the globalization of our business development and changes in the business environment in which the Company operates. In the next fiscal year, while taking into account the COVID-19 situation, the Company will consider resuming in-house inspections.

Measures to ensure the adaptability of management to changes in the environment

- Although the Board of Directors have been discussing important management issues, it is necessary to further enhance

discussions on time-sensitive management issues in response to changes in the social environment and other factors, such as issues related to sustainability.

- Furthermore, based on the group-based management control structure established in the current fiscal year, the appropriateness of its operation must be adequately monitored in the ensuing fiscal year.

Outside Directors Council and other cooperation with outside directors

- Through free and vigorous discussion based on outside directors’ knowledge, the Outside Directors Council has been effectively fulfilling its function of reflecting their knowledge to management.
- While communication among directors and between outside directors and management is generally adequate, more contact between outside directors and executive officers would be desirable to enable the Board of Directors to better fulfill its functions.

Committees

- The Nominating Committee, Audit Committee, and Compensation Committee fully discuss various proposals in accordance with their respective roles and responsibilities, and share the status of discussions with the Board of Directors.

Self-evaluation

- Some directors rated his or her own activities as satisfactory, while some acknowledged the need for further understanding of business.

2. Initiatives based on the results of the previous effectiveness evaluation

Key issues for fiscal year 2020	Status of response in fiscal year 2021
Enhancement of discussions on important management issues	<ul style="list-style-type: none"> • Through a review of agenda items for the Board of Directors’ meetings, the Company worked to secure and increase time allotment for discussion of important management issues. • At the Outside Directors Council meeting, the Council shared an overview of the Company’s past initiatives and discussed environmental awareness from a medium- to long-term perspective.
Further enhancement of the Board of Directors’ meeting materials and explanations	<ul style="list-style-type: none"> • By further enhancing the summary of the Board of Directors’ meeting materials, the Board of Directors strived to clarify resolutions and reports, issues, and risks.
Enhancement of exchange between outside directors and management	<ul style="list-style-type: none"> • The Audit and Nominating Committees exchanged views with the executive officers.
Continuous provision of information to directors	<ul style="list-style-type: none"> • In addition to exchanging opinions with directors dispatched to overseas group companies, and providing information through training sessions, the Company leveraged opportunities such as advance briefings to provide necessary information to outside directors.

3. Future initiatives

Based on the above evaluation results, the following items were identified as major issues.

- 1) Enhancement of discussions on important management issues
- 2) Further improvement in the quality of materials and explanations that contribute to enhanced deliberations by the Board of Directors
- 3) Enhancement of exchange between outside directors and management

The Company will strive to further improve the effectiveness of the Board of Directors, etc. by taking steps to resolve these issues.

*These are the evaluation results as of June 2022. The number of outside directors has been restored to a majority.

Audits by the Audit Committee

Structure and Personnel for Conducting Audits by the Audit Committee

Being a Company with Committees, we have an Audit Committee consisting of four members, three of which are outside members and one is a full-time internal member. The Board of Directors sets the policy for the selection of Audit Committee Members, and the Company chooses the members based on the requirement that they are deemed to have the adequate level of knowledge, experience and good discernment to perform audit work. Mr. Kazuaki Kama, an Outside Audit Committee Member, currently serves as the Chairman and meeting chair of the Audit Committee.

Mr. Kimitaka Mori, an Outside Audit Committee Member, is a certified public accountant and is considerably knowledgeable of finance and accounting.

Due to the retirement by resignation of an Outside Audit Committee Member with effect on August 31, 2021, the committee had since been run by three members, which did not, however, affect the formulation of audit opinions. The committee has returned to the original four-member structure with effect from July 5, 2022.

In its audit plans, the Audit Committee distributes responsibilities among its members, taking into consideration differences such as internal or external, full-time or part-time.

The Secretariat of Audit Committee, which consists of nine full-time staff members who possess adequate knowledge, competence and experience, supports the audit work of the Audit Committee. Matters such as the number of staff members or transfer of personnel of the secretariat require the prior consent of the Audit Committee, thus the committee's independence from execution of operations is secured.

Procedures of Audits by the Audit Committee

The Audit Committee conducts audits following the auditing rules set by the Audit Committee, based on the auditing policy, audit plan and distribution of duties determined by the Audit Committee, and in collaboration with the Internal Audit Department and departments concerned with internal control.

The Audit Committee receives reports from the Internal Audit Department and Accounting Auditor on such matters as audit plans, the status of audit implementation, or audit results, and exchanges opinions based on the reports. Internal audit plans are decided upon by the Board of Directors with the consent of the Audit Committee. As a rule, the Executive Officers (including Executive Officers as defined in our internal regulations) in charge of the Internal Audit Department attends the meetings of the Audit Committee.

The Audit Committee, after thorough exchange of opinions, reports to the Board of Directors on the details of audit activities and the opinions formulated and also, when necessary, makes suggestions or states opinions to Executive Officers, etc.

Activities of the Audit Committee

■ Frequency of meetings and attendance of each member

Our Audit Committee meets once a month in principle and as needed. In fiscal year 2021, the Committee met 15 times.

The average duration of the Audit Committee meetings was approximately 2 hours and 10 minutes, and the number of agenda items was 72 in fiscal 2021. All members in office attended all the meetings of the Audit Committee in fiscal 2021.

■ Main issues examined by the Audit Committee and status of its activities

Main issues examined by the Audit Committee

The Audit Committee develops audit plans and checks on matters such as if there are any fraudulent acts or noncompliance with laws, regulations, or the Articles of Incorporation with regard to the execution of duties of the Directors and Executive Officers, or if the Executive Officers are executing business operations according to plans and the basic principles determined by the Board of Directors in a lawful, appropriate and efficient manner. The Committee also sees if the Company's internal control system is adequately established and operated or whether the Accounting Auditor is performing its auditing duties properly.

Main issues examined by the Audit Committee in fiscal 2021 are as shown below:

(1) Response to COVID-19

Regarding COVID-19, the Audit Committee reviewed our response in terms of infection prevention and continuation of important business operations, such as the payment of claims, through interviews with Executive Officers on the status of execution of duties as well as by having the full-time Audit Committee Member attend various meetings. The Committee also checked on the progress of arrangements for sales and other activities under remote working and non-contact environment, and examined their appropriateness and effectiveness.

(2) Prevalence and establishment of "Sumitomo Life Group Code of Conduct"

The Audit Committee regards the "Sumitomo Life Group Code of Conduct," which is a set of guidelines for executives and employees of Sumitomo Life Group to put the operating policy into practice through their actions, as the Group's important control environment. To review the efforts being made for the Code to spread and take root, the Audit Committee interviewed Executive Officers on the status of execution of duties and exchanged views with representatives of subsidiaries and other entities as well as branch office managers, and examined the appropriateness and effectiveness of such efforts.

(3) Overseas operations

Concerning overseas operations, which are one of key priorities of our business, the Audit Committee reviewed such matters as the business conditions of Symetra, a subsidiary, or efforts being made to increase the corporate value of Asian firms in which we have a stake, by interviewing Executive Officers on the status of execution of duties and exchanging views with executives seconded to those firms, and examined their validity.

(4) Business management on a group basis

With regard to appropriate business management on a group basis, the Audit Committee, upon being consulted by the Board of Directors, reported on changes to our Internal Control Basic Policy and establishment of a Group Management Basic Policy in line with the revision of the "Comprehensive Guidelines for Supervision of Insurance Companies." The Committee also reviewed the progress on the creation of a framework for business management on a group basis by interviewing Executive Officers on the status of execution of duties, and examined its adequacy and validity.

Main Activities of the Audit Committee in Fiscal year 2021

Audit Committee Members attended the meetings of the Board of Directors and other important meetings to hear reports from Directors and Executive Officers on matters related to their execution of duties and asked for explanations as needed. They also received reports from subsidiaries on their business as needed. The Members also supervised and examined the Accounting Auditor to see if they were practicing audits appropriately while also maintaining independence, heard reports from the Accounting Auditor on the status of execution of duties, and asked for explanations as needed.

The full-time Audit Committee Member, in light of his aspect as a full-time member, worked actively to improve the audit environment and to collect internal information, attended the meetings of the Executive Management Committee and other essential meetings, inspected important approval documents, heard reports from departments of the Company, subsidiaries and other entities, and reported the results to the Audit Committee.

In fiscal 2021, the President & Chief Executive Officer attended the Audit Committee meeting on two occasions to exchange views on important audit issues and other topics. The Committee also invited to its meeting ten Executive Officers who have departments in their charge to hear reports on matters related to their execution of duties and thereafter to exchange views. Executive Officers and General Managers who oversee risk management departments as well as the Chief Information Security Officer were each invited to exchange views with the Committee. In addition, the Committee met the representatives of four subsidiaries in Japan and abroad, among others, to exchange opinions on the implementation

of each subsidiary's management plan, the status of formation of internal control system, and other topics. From the Internal Audit Department, the Committee heard reports on the implementation of internal audits and their results, the results of monthly individual internal audits, the results of self-assessment of the quality of internal audit activities, and exchanged opinions. Executive Officers (including Executive Officers as defined in our internal regulations) in charge of Internal Audit Department attended the Audit Committee meetings for all issues and offered their opinions as needed. From Accounting Auditor, the Committee heard reports on the status of execution of duties on four occasions and exchanged opinions. During those meetings, discussions were held on the "key audit matters (KAM)" in the audit of consolidated financial statements that would be communicated in the auditors' report on a voluntary basis.

Each year, the Audit Committee conducts self assessment by way of questionnaire survey to reflect on its activities and to utilize the findings for future audit activities. The Committee conducted self assessment in fiscal 2021, the outcome of which was examined and discussed at the meetings of the Audit Committee, and then the results were reported to the Board of Directors.

In fiscal 2021, audit activities were partly conducted remotely, as in the previous fiscal year, in consequence of COVID-19. Audit opinions were formulated through close communication among parties concerned and flexible approach to remote audits (securing wider participation, etc.). The use of remote means was also promoted from the viewpoint of improving audit efficiency.

Accounting Audits

Status of Accounting Audits

Name of Accounting Auditor	KPMG AZSA LLC	Period of continuous audit	38 years
Names of certified public accountants engaged in audit work	Noriaki Habuto Yukihsa Tatsumi Takao Suzuki	Composition of assistants involved in audit work	Assistants involved in audit work consisted of ten certified public accountants, eight persons who have passed the certified public accountant exam, and 13 others.
Selection policy and reasons for the appointment of Accounting Auditor	The Company appointed KPMG AZSA LLC, concluding that the firm is able to conduct audit work efficiently and effectively, based on a comprehensive judgement of the firm's quality control system, independence and expertise, and the fact that the firm has a structure for group audits backed by its global network. Our Audit Committee decided to reappoint KPMG AZSA LLC based on nomination by management, since the committee found no reason for dismissal or non-reappointment as a result of evaluation of the firm according to our policy for dismissal or non-reappointment of Accounting Auditor and the criteria for the evaluation of Accounting Auditor.		
Audit Committee's evaluation of the Accounting Auditor	Our Audit Committee formulates the criteria for the evaluation of Accounting Auditor and decides reappointment or non-reappointment of an Accounting Auditor, evaluating the firm's execution of duties, quality control system, independence, expertise, fee level, its communication with the Audit Committee and other parties, and the ability to deal with international matters. The evaluation for fiscal 2021 found no reason to dismiss or not to reappoint KPMG AZSA LLC.		

Details of Audit Fees

a. Fees paid to certified public accountants and others engaged in auditing work (millions of yen)

Category	Fiscal 2021		Fiscal 2022	
	Fees based on audit certification work	Fees based on non-auditing services	Fees based on audit certification work	Fees based on non-auditing services
Sumitomo Life	209	24	212	46
Consolidated subsidiaries	52	—	51	8
Total	261	24	263	55

○Fiscal 2021

Non-auditing services rendered to the Company included "assurance of internal control over administration of group annuity insurance and operation of separate account; calculation of projected benefit obligations (PBO) of retirement benefits; and administration of pension plan."

○Fiscal 2022

Non-auditing services rendered to the Company included "preparation of comfort letter in support of the issuance of US dollar-denominated subordinated bonds."
Non-auditing service rendered to our consolidated subsidiaries was an advisory service on the formulation of basic plan for the digitization of accounting processes.

b. Fees paid to firms belonging to the same network as certified public accountants and others engaged in auditing work (i.e., KPMG member firms) (excluding a. above) (millions of yen)

Category	Fiscal 2021		Fiscal 2022	
	Fees based on audit certification work	Fees based on non-auditing services	Fees based on audit certification work	Fees based on non-auditing services
Sumitomo Life	—	10	—	2
Consolidated subsidiaries	270	0	300	—
Total	270	10	300	2

○Fiscal 2021

Non-auditing services rendered to the Company included performance of due diligence on investment deals.
Non-auditing service rendered to our consolidated subsidiaries was an advisory service on accounting matters.

○Fiscal 2022

Non-auditing services rendered to the Company included tax-related services.

c. Details of fees based on other important audit certification work

Not applicable to the fiscal years ended March 31, 2021 and 2022.

d. Policy for determining audit fees

While having not set any policy, the Company considers comprehensively such matters as the audit work for the prior fiscal years and the content of audit plan for the current fiscal year presented by the Accounting Auditor covering audit structure, procedure, schedule, and other elements, and then determines audit fees with the consent of the Audit Committee.

e. Reasons for which the Audit Committee gave consent to the fees and others to be paid to the Accounting Auditor

The Audit Committee concluded that the content of audit plan by the Accounting Auditor, the performance, and the basis for the calculation of quoted fees, among others, were appropriate, and then agreed to the fees and others to be paid to the Accounting Auditor.

Internal Control

Upgrading Internal Control System

We are working to “strengthen our internal control system” with a view to securing the soundness and appropriateness of business management. The Board of Directors has laid down the “Internal Control Basic Policy” pursuant to the provisions of Article 53-30, paragraph 1, item 1 of the Insurance Business Act. In accordance with this policy, we are working to improve our risk management system, compliance system and internal audit function and to build a system that facilitates effective audits by the Audit Committee. As the business management company of the Group (the Company, its subsidiaries, etc.), the Company has also set the “Group Management Basic Policy” and is working to upgrade business management of the entire Group.

Outline of the Internal Control Basic Policy

(Preamble) The operating policy of the Company sets the “Management Policy,” which is our corporate philosophy, as the apex. The “Sustainability Management Policy” stipulates the Company’s universal mission stated in the “Management Policy” reorganized from the sustainability perspective, and the “Sumitomo Life Brand Vision” states the image of the Company from customer’s perspective that we aim to become in the medium- to long-term. The “Sumitomo Life Group Code of Conduct” has been formulated as a set of guidelines, in order to ensure that each and every executive or employee of Sumitomo Life and each Group company will put the operating policy into practice through their actions. The “Policy on customer-oriented business operations” has been established and disclosed in order to pursue the best interests of our customers.

In accordance with the operating policy etc. described above, the Board of Directors establishes this policy as basic policies for development of the internal control system aimed at ensuring the soundness and appropriateness of business of the Company and its Subsidiaries and Affiliates etc. (hereinafter “Group Companies”), pursuant to the provisions of Article 53-30, Paragraph 1, Item 1-b and e of the Insurance Business Act. The Board of Directors determines this policy and ensures the acknowledgement on the part of officers and employees as well as implements disclosure according to laws and regulations.

Furthermore, the Company, as the business management company of the Group Companies, establishes the “Group Management Basic Policy” and works on the sophistication of the business management of the entire Group.

The Company establishes the internal control system in accordance with this policy and the Group Management Basic Policy, verifies its effectiveness at the Board of Directors, implements necessary improvements, and discloses the overview of the operational status of the internal control system.

Along with the above preamble, the policy lays down guidelines on the following items:

1. System for the execution of duties of Audit Committee

- (1) Matters related to Directors and employees to assist duties of Audit Committee
- (2) System related to reporting to Audit Committee
- (3) Matters related to policies for procedures for prepayment or reimbursement of costs arising from execution of duties of Audit Committee Members (limited to those related to the execution of duties of Audit Committee) and other treatments of expenses or obligations arising from execution of the duties
- (4) Other systems to ensure effective implementation of audits by Audit Committee

2. System to ensure the appropriateness of business

- (1) System to ensure that Executive Officers and employees execute their duties compliant with laws and regulations and the Articles of Incorporation
- (2) System for preservation and management of information related to the execution of duties of Executive Officers
- (3) Regulations concerning management of risks of losses and other systems
- (4) System to ensure the efficient execution of duties by Executive Officers
- (5) System to ensure the appropriateness of business in a corporate group consisting of a mutual company and its real subsidiaries
- (6) System to ensure customer-oriented business operations
- (7) System to ensure the effectiveness of internal audit

Internal Audit System

Sumitomo Life’s “Group Internal Audit Policy” and the “Internal Audit Policy,” both of which have been established with resolution of the Board of Directors, provide that a framework for effective group-wide internal auditing be created and established. The two policies provide that the purpose of internal audit is “to secure the soundness and appropriateness of business and thereby contribute to the effective achievement of our management goals.” The Internal Audit Department (comprised of 65 people), which is independent from audited entities, examines and evaluates the appropriateness and validity of readiness concerning internal control, makes suggestions for improvement with regard to challenges and problems, and follows up on the issues. The scope of internal audit covers all business operations of the Group companies and foundations both in and outside of Japan. Internal audit plans are developed according to the risks recognized in light of changes in internal and external environments and with the consent of the Audit Committee, a majority of whose members are outside directors. A mechanism is in place to regularly report the results of internal audits to the Board of Directors, the Audit Committee, the President & Chief Executive Officer, and other parties. On issues and problems that were revealed in internal audits, recommendations and suggestions are made to relevant divisions.

The Internal Audit Department maintains close cooperation with the Audit Committee, including receiving instructions for inquiry directly from the Audit Committee, and operates internal audits in an integrated and efficient manner.

In the internal audits of head office divisions, cross-divisional issues that concern multiple units and policy issues are also examined on a company-level, besides each unit’s status of performance of operations and risk management. The state of formulation and operation of internal control system within various systems, such as compliance system or system for storage and management of information, is also examined in accordance with the Internal Control Basic Policy.

With regard to internal auditing of branch offices and solicitation agencies that form the strongholds of insurance sales and administrative work, the audits aim to examine the state of compliance and customer services in insurance sales operations and appropriateness of administrative work.

Changes to the risks are continuously monitored offsite through regular exchange of information with the Compliance Control Department and risk management divisions, information ties with each unit, attendance at various meetings, and other means.

In collaborating with Accounting Auditor, each other’s audit results and risks recognized are shared to secure the effectiveness of internal audits.

In addition, we are working to improve and strengthen the system for internal audit by implementing a program developed to improve the quality of internal audit work on a self-sustained and continuous basis.

Directors



Chairman of the Board, Representative Executive Officer

Masahiro Hashimoto (Born February 21, 1956)

April 1979 Joined Sumitomo Life
 April 2006 Executive Officer
 July 2007 Managing Director and Managing Executive Officer
 July 2011 Director, Managing Executive Officer
 April 2012 Representative Director, Senior Managing Executive Officer
 April 2014 President & Representative Director, Chief Executive Officer
 July 2015 Director, President & Chief Executive Officer, Representative Executive Officer
 April 2021 Chairman of the Board, Representative Executive Officer



Director, President & Chief Executive Officer, Representative Executive Officer

Yukinori Takada (Born September 3, 1964)

April 1988 Joined Sumitomo Life
 April 2017 Executive Officer (as defined in our internal regulations)
 April 2018 Senior Executive Officer (internal regulations)
 October 2018 Managing Executive Officer
 April 2021 President & Chief Executive Officer, Representative Executive Officer
 July 2021 Director, President & Chief Executive Officer, Representative Executive Officer



Director

Kenichi Nagataki (Born May 7, 1961)

April 1984 Joined Sumitomo Life
 April 2014 Executive Officer
 April 2015 Senior Executive Officer (internal regulations)
 December 2015 Managing Executive Officer
 April 2019 Senior Managing Executive Officer
 July 2019 Director



Director, Senior Managing Executive Officer, Representative Executive Officer

Hideyuki Sumi (Born January 15, 1963)

April 1987 Joined Sumitomo Life
 April 2012 Executive Officer
 April 2014 Senior Executive Officer
 April 2016 Managing Executive Officer
 April 2021 Senior Managing Executive Officer, Representative Executive Officer
 July 2021 Director, Senior Managing Executive Officer, Representative Executive Officer



Director, Senior Managing Executive Officer, Representative Executive Officer

Kazuhiko Kusaka (Born February 26, 1963)

April 1986 Joined Sumitomo Life
 April 2016 Executive Officer (internal regulations)
 April 2018 Senior Executive Officer (internal regulations)
 April 2019 Managing Executive Officer
 April 2021 Senior Managing Executive Officer, Representative Executive Officer
 July 2021 Director, Senior Managing Executive Officer, Representative Executive Officer

Chairman of the Board of Directors : Masahiro Hashimoto (Chairman of the Board)

Nominating Committee : Toru Yamashita (Chairman), Kenzo Yamamoto, Touko Shirakawa, Masahiro Hashimoto and Yukinori Takada

Audit Committee : Kazuaki Kama (Chairman), Kimitaka Mori, Toshiko Katayama and Kenichi Nagataki

Compensation Committee : Toru Yamashita (Chairman), Kenzo Yamamoto, Touko Shirakawa, Masahiro Hashimoto and Yukinori Takada

Directors



Outside Director

Toru Yamashita (Born October 9, 1947)

April 1971 Joined Nippon Telegraph and Telephone Public Corporation
 June 1999 Director, NTT DATA Corporation
 June 2007 President and Chief Executive Officer and Representative Director, NTT DATA Corporation
 June 2012 Director and Chief Corporate Advisor, NTT DATA Corporation
 June 2014 Chief Corporate Advisor, NTT DATA Corporation
 July 2015 Outside Director, Sumitomo Life
 June 2018 Senior Advisor, NTT DATA Corporation
 April 2019 President, School Corporation Den-en-chofu Futaba Gakuen



Outside Director

Kazuaki Kama (Born December 26, 1948)

July 1971 Joined Ishikawajima-Harima Heavy Industries Co., Ltd. (present IHI Corporation)
 June 2004 Executive Officer, Ishikawajima-Harima Heavy Industries Co., Ltd.
 April 2007 President and Chief Executive Officer, Ishikawajima-Harima Heavy Industries Co., Ltd.
 April 2012 Chairman of the Board, IHI Corporation
 April 2016 Director, IHI Corporation
 June 2016 Executive Corporate Advisor, IHI Corporation
 July 2016 Outside Director, Sumitomo Life
 April 2020 Senior Advisor, IHI Corporation



Outside Director

Kimitaka Mori (Born June 30, 1957)

April 1980 Joined Shinwa Audit Corporation (present KPMG AZSA LLC)
 August 1983 Registered as Certified Public Accountant
 June 2000 Representative Partner, Asahi Audit Corporation (present KPMG AZSA LLC)
 June 2004 Director of Financial Services, KPMG AZSA & Co. (present KPMG AZSA LLC)
 June 2006 Board Member, KPMG AZSA & Co. (present KPMG AZSA LLC)
 July 2011 Chairman, KPMG Financial Services Japan, KPMG AZSA LLC
 June 2013 Retired from KPMG AZSA LLC
 July 2013 Established Mori Certified Public Accountant Office
 July 2013 Chairman and President, the Japanese Institute of Certified Public Accountants
 July 2016 Adviser, the Japanese Institute of Certified Public Accountants as former President
 July 2017 Outside Director, Sumitomo Life



Outside Director

Toshiko Katayama (Born June 3, 1953)

August 1977 Court Administrative Official, Osaka Family Court
 April 1980 Court Clerk, Family Affairs Division, Osaka Family Court
 April 1988 Admitted to bar
 April 1993 Established Katayama Toshiko Law Office
 July 2005 Established Katayama, Kuroki & Hiraizumi Law Office (present Katayama & Hiraizumi Law Office)
 December 2005 Vice President, Kansai Consumers Support Organization, a non profit organization
 July 2018 Outside Director, Sumitomo Life



Outside Director

Kenzo Yamamoto (Born January 21, 1954)

April 1976 Joined the Bank of Japan
 February 2002 Director-General, Financial Markets Department, Bank of Japan
 May 2003 Councilor, Bank of Japan Representative Office in New York
 December 2003 General Manager for the Americas and Chief Representative in New York, Bank of Japan
 July 2005 Director-General, Payment and Settlement Systems Department, Bank of Japan
 July 2006 Director-General, Financial System and Bank Examination Department, Bank of Japan
 May 2008 Executive Director, Bank of Japan
 June 2012 Chairman, NTT DATA Institute of Management Consulting, Inc.
 June 2018 Representative, Office KY Initiative
 July 2019 Outside Director, Sumitomo Life



Outside Director

Touko Shirakawa (Born April 25, 1961)

April 1984 Joined Sumitomo Corporation
 October 1988 Joined First Boston (Japan) Ltd. Tokyo
 July 1989 Joined Lehman Brothers Co., Ltd. Tokyo
 October 1993 Joined Decision Japan Co., Ltd. Tokyo
 February 1998 Relocated to Indonesia. Continued writing during her stay in the country
 April 2002 Returned to Japan and began writing and speaking in earnest as a freelancer
 April 2013 Visiting Professor, Sagami Women's University
 December 2017 Visiting Researcher, University of Tokyo Interfaculty Initiative in Information Studies
 April 2018 Visiting Professor, Showa Women's University Center for General Education
 April 2020 Project Professor, the Graduate School of Sagami Women's University
 April 2021 Super Visiting Professor, iU Professional University of Information and Management for Innovation
 July 2022 Outside Director, Sumitomo Life

Reasons for Appointment as Outside Director

Director

Toru Yamashita

Reasons for appointment

The Company appoints Mr. Toru Yamashita as an Outside Director because the Company expects that his abundant knowledge, experience and insight as a representative director and president of NTT DATA Corporation, a company that provides IT systems, will be reflected in the management of the Company. He is expected to bring his abundant experience and deep knowledge concerning corporate management into play in business execution decisions with regard to basic management policies, oversight of the execution of duties by Executive Officers and Directors, as well as in his role as Chairman of the Nominating Committee and the Compensation Committee. He has served as an outside director of other companies, and we believe that he has gained expansive knowledge, experience and good discernment through his career. For these reasons, we have judged that he would be able to appropriately perform the duties of Outside Director.

Director

Kazuaki Kama

Reasons for appointment

The Company appoints Mr. Kazuaki Kama as an Outside Director because the Company expects that his abundant knowledge, experience and insight as a representative director and president of IHI Corporation, a comprehensive heavy machinery manufacturer, will be reflected in the management of the Company. He is expected to bring his abundant experience and deep knowledge concerning corporate management into play in business execution decisions with regard to basic management policies, oversight of the execution of duties by Executive Officers and Directors, as well as in his role as Chairman of the Audit Committee. He has served as an outside director of other companies, and we believe that he has gained expansive knowledge, experience and good discernment through his career. For these reasons, we have judged that he would be able to appropriately perform the duties of Outside Director.

Director

Kimitaka Mori

Reasons for appointment

The Company appoints Mr. Kimitaka Mori as an Outside Director because the Company expects that his abundant knowledge, experience and insight in the field of corporate accounting will be reflected in the management of the Company. He is expected to bring his abundant experience and deep knowledge concerning corporate accounting into play in business execution decisions with regard to basic management policies, oversight of the execution of duties by Executive Officers and Directors, as well as in his role as a member of the Audit Committee. Although he has had no involvement in corporate management other than as an outside director or outside corporate auditor, we believe that he has gained expansive knowledge, experience and good discernment through his career, including as a representative partner of major audit firm engaged in business accounting. For these reasons, we have judged that he would be able to appropriately perform the duties of Outside Director.

Director

Toshiko Katayama

Reasons for appointment

The Company appoints Ms. Toshiko Katayama as an Outside Director because the Company expects that her abundant knowledge, experience and insight as an expert in consumer issues will be reflected in the management of the Company. She is expected to bring her abundant experience and deep knowledge concerning consumer issues and the law into play in business execution decisions with regard to basic management policies, oversight of the execution of duties by Executive Officers and Directors, as well as in her role as a member of the Audit Committee. Although she has had no involvement in corporate management other than as an outside director or outside corporate auditor, we believe that she has gained expansive knowledge, experience and good discernment through her long career as a lawyer engaged in consumer issues and other legal duties. For these reasons, we have judged that she would be able to appropriately perform the duties of Outside Director.

Director

Kenzo Yamamoto

Reasons for appointment

The Company appoints Mr. Kenzo Yamamoto as an Outside Director because the Company expects that his abundant knowledge, experience and insight as a former Executive Director and Director-General of the Bank of Japan, and as an expert in finance and economy, will be reflected in the management of the Company. He is expected to bring his abundant experience and deep knowledge concerning finance and economy into play in business execution decisions with regard to basic management policies, oversight of the execution of duties by Executive Officers and Directors, as well as in his role as a member of the Nominating Committee and the Compensation Committee. He has served as an outside director of other companies, and we believe that he has gained expansive knowledge, experience and good discernment through his career. For these reasons, we have judged that he would be able to appropriately perform the duties of Outside Director.

Director

Touko Shirakawa

Reasons for appointment

The Company appoints Ms. Touko Shirakawa as an Outside Director because the Company expects that her abundant knowledge, experience and insight as an expert in promoting diversity, work-style reforms, and participation and advancement of women and middle age resources will be reflected in the management of the Company. She is expected to bring her abundant experience and deep knowledge concerning diversity and other issues into play in business execution decisions with regard to basic management policies, oversight of the execution of duties by Executive Officers and Directors, as well as in her role as a member of the Nominating Committee and the Compensation Committee. Although she has had no involvement in corporate management other than as an outside director or outside corporate auditor, we believe that she has gained expansive knowledge, experience and good discernment through her long career in diversity-related positions as a journalist, author, educator, and a member of various public councils and committees. For these reasons, we have judged that she would be able to appropriately perform the duties of Outside Director.

Succession Planning

In order to ensure the transparency and appropriateness of the appointment process of President & Chief Executive Officer, the successor plan for President & Chief Executive Officer is deliberated by the Nominating Committee, where an Outside Director serves as the chairman and the majority of the committee members is Outside Directors, and the Board of Directors appropriately supervises the plan by receiving reports on the deliberations.

If President & Chief Executive Officer is appointed within the Company, potential successors to President

shall be developed through timely and appropriate missions assigned to them. More than one candidate shall be selected from the group of the candidates with sufficient knowledge and experience as well as deep insight required to fulfill the duties as President. The Company makes it the basic policy for the Nominating Committee to observe them for a certain period to confirm eligibility as a successor to President, and to report a person considered to be the most eligible among them to the Board of Directors, and for the Board of Directors to appoint him/her as President.

Skills Matrix

Our views on the skills required of the Company's Board of Directors

The Company specifies the nine areas in which "the Board of Directors should possess skills, etc., based on the Company's management strategies," i.e., "corporate management," "financial affairs and accounting," "legal affairs," "finance and economy," "consumer orientation," "diversity," "digital technology and IT," "international focus," and "life insurance business."

Each year, the Company's Nominating Committee deliberates the composition of the Board of Directors and the knowledge, experience, capabilities, etc. ("skills") required of Directors, and with regard to Outside Directors, talents with abundant experience and deep knowledge of "corporate management," "financial affairs and accounting," "legal affairs," "finance and economy," "consumer orientation," "diversity," "digital technology and IT," and "international focus" are elected and expected to reflect their sophisticated insight in the management of the Company.

Furthermore, as a company engaged in the life insurance business, skills in the "life insurance business" are crucial and indispensable to the determination of business execution and the appropriate supervision of Executive Officers, etc., and are mainly the responsibility of Internal Directors who possess experience of varied and abundant business execution as Executive Officers. The skills in the "life insurance business" include skills associated with "products and services," "profit management (including actuary duties, accounting, operating expenses, and capital policies)," "consulting (including retail sales [sales representatives and multi-channel] and wholesale)," "asset management," "overseas business," "HR (including education and personnel policies),"

"compliance and risk management," and "group governance."

Of the nine skills, "consumer orientation" and "diversity," in particular, tend to embody a multitude of meanings. However, the Company has cited the notion of contributing to the advancement of social and public welfare through the insurance business in the first clause of the Company's "Management Policy," which serves as its corporate philosophy, and "customer orientation" is integrally connected to our purpose (our reason for existence), which aims to realize a society of affluence, vitality and longevity, through fair and quality business activities trusted by the customers and society.

Furthermore, the Company upholds the notion of aiming to realize a "indispensable life insurance company" for the customers, employees and society that contributes to "Well-being*" through "human" and "digital technology" as the basic policy of its Medium-Term Business Plan. The involvement of "human" is crucial for unequivocally communicating the value of something as intangible as insurance to the customers, and by utilizing "digital technology," it is imperative that we continue to improve the "value rooted in human." To this end, the skills associated with "diversity" that consistently propels improvement in the workplace environment allowing for diverse human capital to reach their potential are particularly significant for the Company. Furthermore, the presence of Directors with various backgrounds begets various perspectives, which, in turn, leads to the enhancement of decision-making capabilities of the Board of Directors as a whole. Accordingly, the Company will also continue to keep the diversity in mind when considering the composition of the Board of Directors.

* "Well-being" refers to the "well-being for all" and is a new value offered by life insurance.

Skills Matrix Listing the Knowledge, Experience, and Abilities of the Directors

(As of July 5, 2022)

Name Figures in brackets are years of age.	Position and responsibilities at the Company		Corporate management	Financial affairs and accounting	Legal affairs	Finance and economy	Consumer orientation	Diversity	Digital technology and IT	International focus	Life insurance business
Masahiro Hashimoto (66)	Chairman of the Board, Representative Executive Officer	Member of Nominating Committee and Compensation Committee	●			●				●	●
Yukinori Takada (57)	Director, President & Chief Executive Officer (Representative Executive Officer)	Member of Nominating Committee and Compensation Committee	●				●	●	●		●
Kenichi Nagataki (61)	Director	Full-time member of Audit Committee	●	●							●
Hideyuki Sumi (59)	Director, Senior Managing Executive Officer (Representative Executive Officer)	Government & Public Relations Dept., Corporate Planning Dept., Actuarial & Budgeting Dept., and Accounting Dept.	●	●							●
Kazuhiro Kusaka (59)	Director, Senior Managing Executive Officer (Representative Executive Officer)	Operations Planning Dept., Policy Service Dept., Customer Service Dept., Claims Dept., Underwriting Dept., and Corporate Clients Service Dept.	●		●		●				●
Toru Yamashita (74)	Outside Director	Chairman of Nominating Committee and Compensation Committee	●						●	●	
Kazuaki Kama (73)	Outside Director	Chairman of Audit Committee	●	●		●				●	
Kimitaka Mori (65)	Outside Director	Member of Audit Committee		●						●	
Toshiko Katayama (69)	Outside Director	Member of Audit Committee			●		●	●			
Kenzo Yamamoto (68)	Outside Director	Member of Nominating Committee and Compensation Committee	●			●					●
Touko Shirakawa (61)	Outside Director	Member of Nominating Committee and Compensation Committee					●	●		●	

(As of July 5, 2022)

Executive Officers, as defined in the Companies Act

Senior Managing Executive Officer

Takeshi Eimori (Born May 26, 1964)

April 1987 Joined Sumitomo Life
April 2016 Executive Officer (as defined in our internal regulations)
April 2017 Senior Executive Officer (internal regulations)
July 2017 Managing Executive Officer
April 2022 Senior Managing Executive Officer

Managing Executive Officer

Iwao Matsumoto (Born October 11, 1963)

April 1987 Joined Sumitomo Life
April 2016 Executive Officer (internal regulations)
April 2017 Senior Executive Officer (internal regulations)
July 2018 Managing Executive Officer

Managing Executive Officer

Tatsuya Yuri (Born June 18, 1964)

April 1988 Joined Sumitomo Life
April 2017 Executive Officer (internal regulations)
April 2019 Senior Executive Officer (internal regulations)
July 2019 Managing Executive Officer (internal regulations)
April 2020 Managing Executive Officer

Managing Executive Officer

Toyoki Iwai (Born September 7, 1965)

April 1989 Joined Sumitomo Life
April 2018 Executive Officer (internal regulations)
April 2019 Senior Executive Officer (internal regulations)
April 2020 Managing Executive Officer

Managing Executive Officer

Kiyoshi Horie (Born August 28, 1965)

April 1988 Joined Sumitomo Life
April 2018 Executive Officer (internal regulations)
April 2020 Managing Executive Officer (internal regulations)
April 2021 Managing Executive Officer

Managing Executive Officer

Makoto Matsumoto (Born May 19, 1964)

April 1988 Joined Sumitomo Life
April 2018 Executive Officer (internal regulations)
April 2020 Senior Executive Officer (internal regulations)
April 2021 Managing Executive Officer

Managing Executive Officer

Toru Shiomitsu (Born August 23, 1964)

April 1988 Joined Sumitomo Life
April 2018 Executive Officer (internal regulations)
April 2020 Senior Executive Officer (internal regulations)
April 2021 Managing Executive Officer

Managing Executive Officer

Hideo Fuji (Born May 23, 1964)

April 1988 Joined Sumitomo Life
July 2017 Executive Officer (internal regulations)
April 2019 Senior Executive Officer (internal regulations)
April 2020 Managing Executive Officer (internal regulations)
April 2022 Managing Executive Officer

Managing Executive Officer

Makoto Kayama (Born March 27, 1964)

April 1988 Joined Sumitomo Life
April 2019 Executive Officer (internal regulations)
April 2021 Managing Executive Officer (internal regulations)
April 2022 Managing Executive Officer

Number of Directors and Executive Officers: Male 18, Female 2; The percentage of female Directors and Executive Officers, as defined in the Companies Act: 10%

Executive Officers, as defined in our internal regulations

Managing Executive Officer

Katsunori Hirai (Born December 20, 1962)

April 1985 Joined Sumitomo Life
 April 2015 Executive Officer (internal regulations) and General Manager of Sales Personnel Dept.
 March 2016 Executive Officer (internal regulations) and General Manager of Central-Tokyo-Area Operations Bureau
 March 2017 Executive Officer (internal regulations) and Senior General Manager of Metropolitan-Area Operations Bureau
 April 2017 Senior Executive Officer (internal regulations) and Senior General Manager of Metropolitan-Area Operations Bureau
 March 2018 Senior Executive Officer (internal regulation)
 April 2018 Managing Executive Officer (internal regulations)
 June 2021 Senior Executive Officer (internal regulations) and General Manager of Corporate Relations Dept.-II
 October 2021 Managing Executive Officer (internal regulations)

Managing Executive Officer, Senior General Manager,
 Kyushu-Area Operations Bureau

Hideki Oyama (Born August 19, 1962)

April 1986 Joined Sumitomo Life
 April 2016 Executive Officer (internal regulations) and General Manager of Chubu-Area Corporate Relations Dept.
 March 2017 Executive Officer (internal regulations) and Senior General Manager, Chubu-Area Operations Bureau
 April 2018 Senior Executive Officer (internal regulations) and Senior General Manager, Chubu-Area Operations Bureau
 April 2019 Managing Executive Officer (internal regulations) and Senior General Manager, Metropolitan-Area Operations Bureau
 March 2020 Managing Executive Officer (internal regulations), in charge of SJ/MSI-Support & Consulting Co., Ltd.
 April 2021 Managing Executive Officer (internal regulations) and Senior General Manager, Kyushu-Area Operations Bureau

Managing Executive Officer

Fumihiko Komatsu (Born October 29, 1962)

April 1986 Joined Sumitomo Life
 April 2017 Executive Officer (internal regulations) and General Manager of Marketing Promotion Dept.
 April 2019 Senior Executive Officer (internal regulations) and General Manager of Financial Institutions Relations Dept.
 March 2020 Senior Executive Officer (internal regulations)
 April 2020 Managing Executive Officer (internal regulations)

Managing Executive Officer and Senior General Manager,
 Chubu-Area Operations Bureau

Ichiryu Kawai (Born July 15, 1964)

April 1988 Joined Sumitomo Life
 April 2018 Executive Officer (internal regulations) and General Manager, Tokyo Chuo Branch Office
 April 2019 Executive Officer (internal regulations) and Senior General Manager, Chubu-Area Operations Bureau
 April 2020 Senior Executive Officer (internal regulations) and Senior General Manager, Chubu-Area Operations Bureau
 April 2021 Managing Executive Officer (internal regulations) and Senior General Manager, Chubu-Area Operations Bureau
 October 2021 Managing Executive Officer (internal regulations), General Manager of Chubu-Area Corporate Relations Dept., and Senior General Manager, Chubu-Area Operations Bureau
 April 2022 Managing Executive Officer (internal regulations) and Senior General Manager, Chubu-Area Operations Bureau

Managing Executive Officer

Yoshihiro Nakano (Born December 10, 1964)

April 1987 Joined Sumitomo Life
 April 2018 Executive Officer (internal regulations) and General Manager, Gifu Branch Office
 April 2019 Executive Officer (internal regulations) and Deputy Senior General Manager, Metropolitan-Area Operations Bureau
 March 2020 Executive Officer (internal regulations) and Senior General Manager, Metropolitan-Area Operations Bureau
 April 2020 Senior Executive Officer (internal regulations) and Senior General Manager, Metropolitan-Area Operations Bureau
 April 2022 Managing Executive Officer (internal regulations)

Managing Executive Officer

Satoshi Sadanaga (Born January 24, 1966)

April 1988 Joined Sumitomo Life
 April 2019 Executive Officer (internal regulations) and General Manager, Corporate Relations Dept.-I
 April 2021 Senior Executive Officer (internal regulations) and General Manager, Corporate Relations Dept.-I
 April 2022 Managing Executive Officer (internal regulations)

Senior Executive Officer

Kazuhiko Arai (Born November 4, 1962)

April 1985 Joined Sumitomo Life
 September 2017 Executive Officer (internal regulations)
 January 2019 Executive Officer (internal regulations), PT BNI Life Insurance
 April 2020 Senior Executive Officer (internal regulations), PT BNI Life Insurance
 April 2021 Senior Executive Officer (internal regulations)

Senior Executive Officer and General Manager,
 Customer Experience Planning Dept.

Tatsuro Nakanishi (Born November 21, 1963)

April 1987 Joined Sumitomo Life
 April 2019 Executive Officer (internal regulations), General Manager of Operations Planning Dept., and General Manager of Underwriting Dept.
 July 2019 Executive Officer (internal regulations) and General Manager, Operations Planning Dept.
 April 2021 Senior Executive Officer (internal regulations) and General Manager, Operations Planning Dept.
 April 2022 Senior Executive Officer (internal regulations) and General Manager, Customer Experience Planning Dept.

Senior Executive Officer and General Manager,
 Corporate Risk Management Dept.

Fumito Fujimoto (Born October 19, 1965)

April 1988 Joined Sumitomo Life
 April 2019 Executive Officer (internal regulations) and General Manager, Actuarial & Budgeting Dept.
 April 2021 Senior Executive Officer (internal regulations) and General Manager, Corporate Risk Management Dept.

Senior Executive Officer and General Manager,
 Central-Tokyo-Area Marketing Promotion Dept.

Satoshi Mouri (Born April 24, 1966)

April 1989 Joined Sumitomo Life
 April 2019 Executive Officer (internal regulations)
 March 2020 Executive Officer (internal regulations) and Senior General Manager, Kyushu-Area Operations Bureau
 April 2021 Senior Executive Officer (internal regulations) and General Manager, Central-Tokyo-Area Marketing Promotion Dept.

Senior Executive Officer and General Manager,
 Marketing Promotion Dept.

Atsushi Hashimoto (Born March 3, 1967)

April 1989 Joined Sumitomo Life
 April 2019 Executive Officer (internal regulations), General Manager of Sendai Branch Office, and General Manager in Charge of Marketing Promotion Dept.
 March 2020 Executive Officer (internal regulations) and General Manager of Marketing Promotion Dept.
 April 2021 Senior Executive Officer (internal regulations) and General Manager of Marketing Promotion Dept.

Senior Executive Officer and General Manager,
 Next Business Planning Dept.

Hiroki Fujimoto (Born May 12, 1965)

April 1988 Joined Sumitomo Life
 April 2020 Executive Officer (internal regulations) and General Manager of Next Business Planning Dept.
 April 2021 Senior Executive Officer (internal regulations) and General Manager of Next Business Planning Dept.

Senior Executive Officer, in charge of Symetra

Muneo Sasagawa (Born February 17, 1964)

April 1987 Joined Sumitomo Life
 April 2020 Executive Officer (internal regulations), in charge of Symetra
 April 2022 Senior Executive Officer (internal regulations), in charge of Symetra

Senior Executive Officer and Senior General Manager,
 Kinki-Hokuriku-Area Operations Bureau

Masateru Matsuyama (Born August 9, 1965)

April 1989 Joined Sumitomo Life
 April 2020 Executive Officer (internal regulations) and General Manager, Okayama Branch Office
 April 2022 Senior Executive Officer (internal regulations) and Senior General Manager, Kinki-Hokuriku-Area Operations Bureau

Senior Executive Officer and General Manager,
 Internal Audit Dept.

Keisuke Terasaki (Born April 21, 1966)

April 1989 Joined Sumitomo Life
 April 2020 Executive Officer (internal regulations)
 April 2022 Senior Executive Officer (internal regulations) and General Manager, Internal Audit Dept.

Senior Executive Officer, Group Sustainability Officer

Nobuji Takao (Born July 11, 1966)

April 1989 Joined Sumitomo Life
 April 2020 Executive Officer (internal regulations) and General Manager, Corporate Planning Dept.
 April 2022 Senior Executive Officer (internal regulations), Group Sustainability Officer

Senior Executive Officer and General Manager,
 Chubu-Area Corporate Relations Dept.

Nobukazu Yoshihara (Born February 16, 1966)

April 1988 Joined Sumitomo Life
 April 2021 Executive Officer (internal regulations) and General Manager, Yokohama Branch Office
 April 2022 Senior Executive Officer (internal regulations) and General Manager, Chubu-Area Corporate Relations Dept.

Senior Executive Officer and General Manager,
 International Business Dept.

Kensei Kawaguchi (Born October 23, 1965)

April 1989 Joined Sumitomo Life
 April 2021 Executive Officer (internal regulations) and General Manager, Human Resources Dept.
 April 2022 Senior Executive Officer (internal regulations) and General Manager, International Business Dept.

Executive Officer and General Manager, Yokohama Branch Office

Katsusuke Nagahashi (Born March 6, 1966)

April 1990 Joined Sumitomo Life
 April 2020 Executive Officer (internal regulations) and Senior General Manager, Kinki-Hokuriku-Area Operations Bureau
 April 2022 Executive Officer (internal regulations) and General Manager, Yokohama Branch Office

Executive Officer, in charge of Izumi Life Designers Co., Ltd.

Kentaro Tsukamoto (Born January 29, 1967)

April 1990 Joined Sumitomo Life
 April 2020 Executive Officer (internal regulations), General Manager of Sapporo Branch Office, and General Manager in Charge of Marketing Promotion Dept.
 April 2021 Executive Officer (internal regulations), in charge of Izumi Life Designers Co., Ltd.

Executive Officer

Takumi Ishihara (Born April 27, 1966)

April 1990 Joined Sumitomo Life
 April 2021 Executive Officer (internal regulations)

Executive Officer and General Manager, Kyoto Branch Office

Keiji Sano (Born December 5, 1966)

April 1990 Joined Sumitomo Life
 April 2021 Executive Officer (internal regulations) and General Manager, Kyoto Branch Office

Executive Officer, Deputy Chief of

Human Capital Development Headquarters

Hiromi Yamamoto (Born January 5, 1963)

May 2001 Joined Sumitomo Life
 April 2021 Executive Officer (internal regulations) and General Manager, Nagoya Branch Office
 April 2022 Executive Officer (internal regulations), Deputy Senior General Manager, Human Capital Development Headquarters

Executive Officer and General Manager,
 Osaka-Area Marketing Promotion Dept.

Motohiro Hayakawa (Born January 29, 1964)

April 1986 Joined Sumitomo Life
 April 2022 Executive Officer (internal regulations) and General Manager, Osaka-Area Marketing Promotion Dept.

Executive Officer and Senior General Manager,
 Metropolitan-Area Operations Bureau

Toshikazu Anbo (Born July 18, 1964)

April 1988 Joined Sumitomo Life
 April 2022 Executive Officer (internal regulations) and Senior General Manager, Metropolitan-Area Operations Bureau

Executive Officer, General Manager of Sendai Branch Office, and
 General Manager in Charge of Marketing Promotion Dept.

Takeshi Nakayama (Born July 18, 1967)

April 1990 Joined Sumitomo Life
 April 2022 Executive Officer (internal regulations), General Manager of Sendai Branch Office, and General Manager in Charge of Marketing Promotion Dept.

Executive Officer and General Manager,
 Investment Planning Dept.

Toshio Fujimura (Born December 23, 1967)

April 1990 Joined Sumitomo Life
 April 2022 Executive Officer (internal regulations) and General Manager, Investment Planning Dept.

Executive Officer, General Manager,
 100-year Lifespan Support Council

Yukiko Chiba (Born November 8, 1962)

July 1992 Joined Sumitomo Life
 April 2022 Executive Officer (internal regulations), General Manager, 100-year Lifespan Support Dept.

Efforts toward Compliance

Sumitomo Life considers strictly observing law and regulations to be an important management issue in order to more firmly establish the basic business policy of living up to the trust of customers, and based on this belief, we have established a system to promote compliance as outlined below.

Basic Principles and Regulations for Compliance

Basing on our purpose of “contributing to the advancement of social and public welfare,” we are faithfully conducting business in accordance with our “Management Policy,” which states our basic philosophy of management, and the “Sumitomo Life Group Code of Conduct,” which lays down guidelines that should be translated into action by the Sumitomo Life Group companies as well as each and every executive and employee of the Group. We have also formulated the “Group Compliance Policy,” the “Legal Compliance Policy,” and the “Insurance Solicitation Management Policy” to clarify the basic policy concerning compliance, based upon which we have developed a compliance promotion system.

Fostering a Compliance-oriented Corporate Culture

Furthermore, with an aim to foster a corporate culture that values compliance, we have established the “Compliance Manual” and the “Insurance Solicitation Compliance Manual” that cover matters such as the basic approach to compliance and particularly important matters concerning different operations, using which we are working to ensure full awareness of compliance among all executives and employees. We also hold a broad range of training programs concerning compliance, in addition to compliance education programs conducted on the intranet or using digital tools on a regular and ongoing basis.

Compliance Promotion System

To drive compliance across the Company, we have established a Compliance Committee chaired by the President. The Compliance Committee receives reports via the Monitoring Liaison Meeting, its subordinate body, on matters such as the status of monitoring and analysis on specific issues and conducts discussions aimed at resolving these issues. Meanwhile, the Compliance Control Department has been established to oversee compliance for the entire Company. The Compliance Control Department works to address the individual issues described above, makes reports on the state of compliance for the entire Company to bodies including the Board of Directors, and receives instructions as required for the management of operations. In order to make the above structure work, each department of the head office and each branch office draws up a plan for its own compliance efforts and works to drive compliance according to the annual plan. Branch offices are also making autonomous efforts led by each Branch Office Compliance Committee. As outlined above, all members of the Company are working in unison towards compliance under the leadership of the management.

<Solicitation Policy>

Pursuant to the “Act on the Provision of Financial Services,” we have established a “Solicitation Policy” laying out matters to be considered when soliciting products to our customers and display it at our branch offices, district offices, and other facilities across the country as well as on our website.

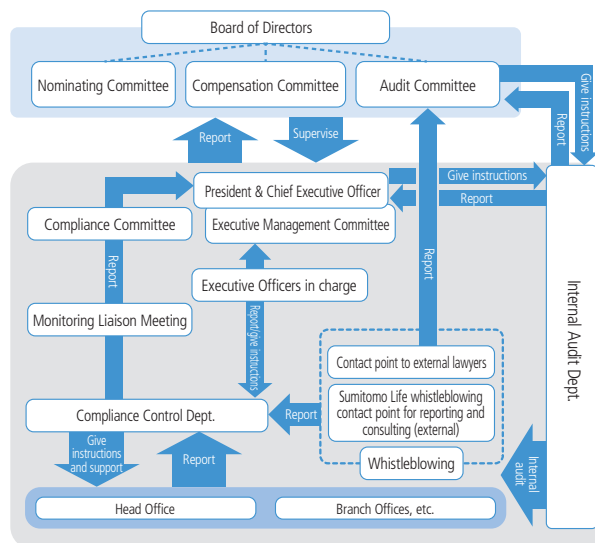
Measures Against Money Laundering and Terrorist Financing

In order to do our part in maintaining the soundness of the financial system, we are implementing risk-based measures against money laundering and terrorist financing in consideration of laws and regulations as well as the external environment under the compliance promotion system described below.

Internal Whistleblowing System

To facilitate early detection and correction of acts in violation of laws and regulations, we have set up a whistleblowing contact point for reporting and consulting. In view of enhancing the effectiveness of whistleblowing system, we are working to create a safe environment for whistleblowers such as by clearly ruling out any adverse treatment of whistleblowers, and providing a contact point for consulting external lawyers in addition to the whistleblowing contact point for reporting and consulting that can be reached by phone or online.

Compliance Promotion System



Efforts in Respecting Human Rights

At Sumitomo Life, we are committed to driving efforts to educate and enlighten our employees on human rights to ensure that diverse issues of human rights are widely understood within the Company, and meeting our corporate responsibility to respect human rights through our human rights initiatives that form a part of our key efforts to “contribute to achieving the SDGs,” in accordance with the provisions of the “Sumitomo Life Group Code of Conduct” and the “Sumitomo Life Group Human Rights Policy.”

Sumitomo Life Group Human Rights Policy

To push further with sustainability-driven management and to “contribute to achieving the SDGs” while also holding the viewpoint of “business and human rights,” which is now a social requirement both in and outside Japan, we have established the “Sumitomo Life Group Human Rights Policy” in November 2021. Under this policy, we are stepping up efforts for the respect of human rights.

Sumitomo Life Group Human Rights Policy

Sumitomo Life Insurance Company (hereinafter referred to as “our company”) upholds its corporate philosophy, “Management Policy,” as its top management policy, along with the Sustainability Management Policy and the Sumitomo Life Brand Vision. The Sumitomo Life Group Code of Conduct has also been established to ensure that executives and employees act in accordance with the policies. We have established the “Sumitomo Life Group Human Rights Policy” in accordance with the management policies mentioned above. Our company and its subsidiaries (hereinafter referred to as “our group”) are going to promote sustainability initiatives which is our universal mission, and to contribute to the realization of a healthy and fulfilling society through efforts to respect the human rights of stakeholders involved in all business activities.

1. Respect for International norms

Our group will seek ways to respect international human rights principles, including the International Bill of Human Rights, the UN Global Compact, the ILO Declaration on Fundamental Principles and Rights at Work, while complying with local laws and regulations.

2. Scope of the Policy

This Policy applies to all executives and employees of our group. In accordance with this policy, we will also respect human rights when investing and lending.

3. Respect for Human Rights in Business Activities

Our group respects the human rights of stakeholders in all processes of its business activities.

Therefore, our group will not discriminate or violate human rights in any of its business activities on the basis of protected characteristics, such as race, ethnicity, nationality, gender, sexual orientation, gender identity, age, origin, social status, creed, religion, disability or physical characteristics.

In order to realize a society in which human rights are truly respected and free from discrimination and prejudice in the face of diversifying human rights issues, our group will promote the creation of a corporate culture of respect for human rights, in which each and every executive and employee views human rights as his or her own issues and acts with a good sense of human rights.

4. Human Rights Due Diligence

Recognizing that our group aspires to reflect the values expressed in the United Nations Guiding Principles on Business and Human Rights, our group will look to promote human rights due diligence.

5. Remediation and Correction

If our group’s business activities have a negative impact on human rights, or if it is discovered that our group was involved in such activities, our group will take appropriate steps to remedy or correct the situation, and work to prevent its recurrence.

6. Education and Enlightenment

In order to ensure the effective implementation of this policy in its business activities, our group will implement appropriate education and a wide range of enlightenment regarding human rights for all executives and employees.

7. Dialogue with Stakeholders

Our group will endeavor to engage in dialogue and consultation with stakeholders in order to address human rights issues.

8. Information Disclosure

Our initiatives to respect human rights based on this policy will be disclosed on our Company website.

Promotion Structure

Every unit of Sumitomo Life from the head office down (departments, branch offices, Sumirei Branch office) is equipped with a Human Rights Enlightenment Committee that checks on the progress of efforts to respect human rights in line with the Sumitomo Life Group Human Rights Policy and initiatives under the Company-wide operational plan for education and enlightenment, and promotes human rights enlightenment activities within each unit.

“My Declaration of Human Rights”

In support of “My Declaration of Human Rights,” a project of the Ministry of Justice in which companies, organizations and individuals declare their pledge to take actions to respect human rights, we published our “My Declaration of Human Rights.”

The Declaration

“We will work to create a company where diverse human resources can play an active role in their own way while respecting each other and continue to work with enthusiasm.

We will promote the fostering of a corporate culture that respects human rights, which is linked to actions with a rich sense of human rights, in order to realize a society in which human rights are truly respected without discrimination or prejudice.”

Education and Enlightenment on Human Rights

We provide various education and enlightenment programs ranging from new hire training, training of human rights enlightenment leaders to manager training that are fine-tuned to each target, besides regularly offering human rights trainings designed for all employees, holding the monthly Human Rights Awareness Day, running a program inviting employees to create and send in their own human rights awareness slogans, and promoting other initiatives to improve each person’s awareness of human rights.

Themes of the training programs cover diverse human rights issues including the “Dowa issue,” “human rights of people with disabilities,” “human rights of foreign nationals,” as well as “preventing harassments,” “promoting better understanding of LGBT people” and “mental health.”



Training of human rights enlightenment leaders (2019)

* Trainings of the same level were continued in 2020-2022 through online sessions and other forms of training.

Attitude Towards Antisocial Forces

Basic Policy on Antisocial Forces

Sumitomo Life's basic policy on antisocial forces is to "maintain a resolute stance with respect to antisocial forces that threaten the order and safety of civil society, and handle them systematically to reject any relationships with antisocial forces and eliminate them," as set down

in the "Sumitomo Life Group Code of Conduct," the "Basic Policy for Internal Control", and the "Policy on Handling of Antisocial Forces." Detailed rules elaborating the above basic policy are laid down in the "Regulations on Measures Against Antisocial Forces".

Attitude Towards Antisocial Forces

In its "Policy on Handling of Antisocial Forces," Sumitomo Life designates General Affairs Dept. as the section that oversees matters concerning antisocial forces for the whole company, and is working to formulate and implement concrete measures against such forces as well as train and educate the executives and employees. The General Affairs Dept. centrally manages all information regarding antisocial forces and utilizes such information to work in collaboration with the police, the Centers for Removal of Criminal Organizations, lawyers and other

external specialist bodies to reject any relationships with antisocial forces and eliminate them.

In the event of any unjustified demands or other contacts made to the Company by antisocial forces, the General Affairs Dept., as the section overseeing such matters, will receive reports and be asked for advice immediately and in a proper manner, and will take actions under appropriate direction and involvement of the management team.

Introduction of Organized Crime Groups Exclusion Clauses to the Insurance Policy Terms and Conditions

Clauses stipulating the exclusion of organized crime groups have been added to the terms and conditions of our life insurance policies with effect from April 2012. With the introduction of these clauses that allow

contracts to be canceled should a contract party turns out to be an antisocial force, we are stepping up efforts to meet our corporate social responsibility by rejecting any relationship with antisocial forces and eliminating them.

Approach to Personal Information Protection

We recognize that the personal information of our customers is a valuable asset entrusted to us for use only to the extent necessary for operational purposes. We handle this information appropriately in accordance with the "Act on the Protection of Personal Information", etc.

Basic Principles of Protection of Personal Information

In the "Sumitomo Life Group Code of Conduct," the Company prescribes guidelines for the strict control of customer information by all executives and employees. In addition to this, we provide clear rules on the management system and proper treatment of personal information in the "Customer Information Management Principles" and the "Security Policy."

These principles and initiatives related to the protection of personal data have been summarized in the "Basic Principles of Protection of Personal Information," which has been made publicly available on the Company website.

Strict and Thorough Security Over Personal Information

We have designated Compliance Control Dept. as the section that oversees the management of customer information and relevant matters. Our internal rules state clearly the duty of confidentiality of our executives and employees, based on which we are working to ensure full awareness and commitment through regular trainings and other means.

Moreover, we restrict access to personal information to the minimum extent required for operational purposes,

and also have in place various security measures to prevent personal information leakage and other problems.

We have also devised various safety measures to prevent unauthorized access from outside the Company.

In this way, we have put in place necessary and appropriate security countermeasures to safely control personal information.

Risk Management System

Basic Understanding

In order to secure a sound financial foundation so as to surely and adequately pay claims to our policyholders, we at Sumitomo Life are working to identify, analyze and appropriately control various risks surrounding corporate management. We are working to control risks such as “insurance risk,” “liquidity risk,” “investment risk,” and “operational risk” according to the characteristics of each risk, while also working to improve and upgrade our risk management structure.

Risk Management Policies and Rules

Our Board of Directors and other corporate bodies determine our risk management policies* that lay down the principles that govern risk management systems and other matters, as well as risk management regulations that provide more detailed rules, including on risk management methods, in accordance with the said policies.

* “Group Risk Management Policy,” “Comprehensive Risk Management Policy” and other risk management policies set down for each risk category.

Risk Management System

In accordance with the “Comprehensive Risk Management Policy” and other guidelines, the Board of Directors hear reports on the status of risks, evaluates the effectiveness of our comprehensive risk management structure, and examine problems and other issues.

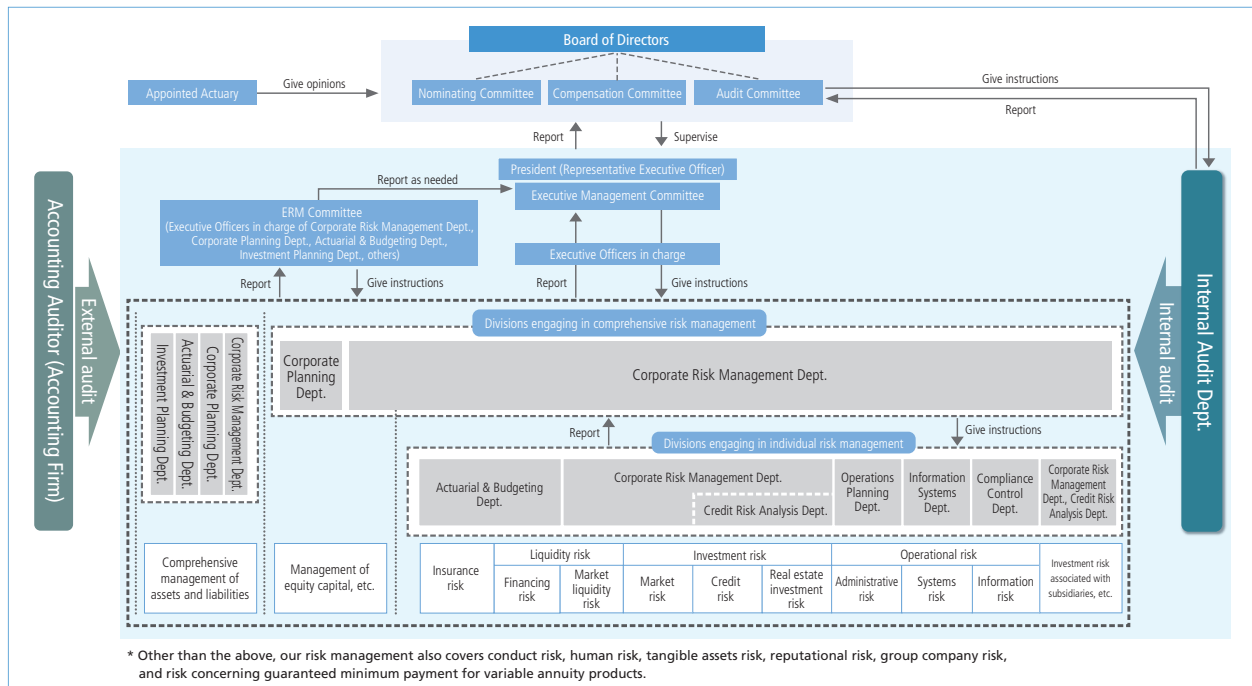
The Corporate Risk Management Department and the divisions engaging in the management of individual risks work together appropriately, in line with the “Comprehensive Risk Management Policy” and other guidelines, to manage the risks concerning the head office, branch offices, subsidiaries and outsourcing partners.

The ERM* Committee appropriately monitors the status of various risks and discusses such matters as responses to cross-divisional issues on risk management and ways to bring ERM into corporate management.

We also verify our risk management through internal and external audits to ensure higher appropriateness and effectiveness.

*Enterprise Risk Management

Risk Management System



Comprehensive Risk Management

We practice comprehensive risk management and operations to control risks in our whole business by assessing different risks from a company-level perspective and monitoring the status of risks in a timely and adequate manner, including by measuring the economic value of risks against equity capital, etc.

Efforts are also being made to create a risk-minded culture on which to build the framework for comprehensive risk management.

Our practices in comprehensive risk management are organized and compiled into ORSA* Report, which is utilized in upgrading comprehensive risk management.

Under our Group Risk Management Policy and other guidelines, we are also working to improve our risk management structure and monitor the status of risks on a group level.

* Own Risk and Solvency Assessment

Management of Material Risks

We seek exhaustively and identify events that may have an extremely great impact on the Company, discuss the matter at the meetings of the Board of Directors and other bodies, and designate them as material risks. The status and impact of material risks are assessed and monitored on a regular basis, and the findings are reflected in the risk management processes as needed.

Material Risks (FY2021)

- Excessive volatility in domestic/foreign financial markets
- Cyber risk ● Large-scale system failure
- Occurrence of act that hurts customers' interest and consequently tarnish the brand
- Occurrence of large-scale disaster (major earthquake, pandemic)
- Occurrence of large-scale clerical error
- Revision of domestic/foreign laws and regulations

* Since fiscal 2020, COVID-19 has been monitored as part of the material risk management.

Stress Testing

As material risks involve events that are difficult to gauge with the risk measurement models used in comprehensive risk management, we conduct stress tests assuming worst case scenarios such as large-scale natural disaster or financial market turmoil, to analyze their impact on the soundness of business.

Outcome of stress tests are reported to the Board of Directors and utilized in considering responses in terms of management strategy and strengthening our financial base.

ALM System

ALM stands for Asset Liability Management, or the comprehensive management of assets and liabilities. The greater part of liabilities of a life insurance company is the policy reserves that are held in reserve for future insurance claims and other payments. To ensure that claims and other payments are made without fail even under unfavorable market conditions, assets and liabilities must be managed appropriately.

The ERM Committee discusses important issues concerning ALM, including asset management strategies that match the characteristics of liabilities and the status of interest rate risk, in its effort to appropriately control the risks and to increase earnings.

Definition of Risks

Type of risk		Definition of risks
Insurance risk		Risk of losses incurred when economic situation or the incidence of claimable events deviate from projections as of the time premiums were set
Liquidity risk	Financing risk	Risk of losses incurred in the face of cash flow problems resulting from unexpected outflow of funds, thereby being forced to divest at an extraordinarily low price in order to secure funds
	Market liquidity risk	Risk of losses incurred when losing opportunity for transactions or having to make a deal at an extraordinarily unfavorable price owing to a turmoil in the market
Investment risk	Market risk	Risk of losses incurred due to changes in the value of assets owned or liabilities owed (including off-balance sheet) caused by fluctuation in interest rate, exchange rate, stock price, etc.
	Credit risk	Risk of losses incurred due to decline in the value of assets owned (including off-balance sheet) resulting from borrowers' worsened financial position
	Real estate investment risk	Risk of losses incurred due to decline in profit from rent and other real estate sources or fall in real estate prices, and losses incurred from real estate-related accidents
Operational risk	Administrative risk	Risk of losses incurred as a result of negligence to perform accurate administrative work, or accidents or fraud caused
	Systems risk	Risk of losses incurred due to computer system failure, malfunction or other system deficiency, or by illegal use of computer
	Information risk	Risk of losses incurred due to leakage, loss, damage, etc. of customer information, etc.
Investment risk associated with subsidiaries, etc.		Risk of losses incurred when money invested in domestic/overseas subsidiaries, affiliates, etc. is eroded

* Other than the above, our risk management also covers conduct risk, human risk, tangible assets risk, reputational risk, group company risk, and risk concerning guaranteed minimum payment for variable annuity products.

Insurance Risk

When developing insurance products, we analyze and assess inherent risks such as the uncertainty concerning incidence of claimable events, and set the amounts of premiums, etc., using actuarial assumptions established with consideration to the reliability of basic data, so as to ensure future payment of insurance claims, etc.

In setting underwriting criteria for different health conditions of the insured persons, we verify the actual incidence of claimable events and make sure that they are set appropriately in line with the actuarial assumptions, etc. of the insurance product.

Once insurance products are launched, we begin monitoring the status of balance, incidence of claimable events, balance forecasts, measurement of risk quantity, etc.

Based on such information, relevant departments work together to take timely and adequate measures should any insurance risks materialize.

Reinsurance

Item	Description
Policy on the purchasing of reinsurance	We take out reinsurance when there is a need to disperse risk or to stabilize profit and in light of the substance, scale and degree of concentration of insurance risk.
Policy on the underwriting of reinsurance	We assume reinsurance so far as the insurance risk does not affect our business management and after considering the characteristics of the risk, profitability, etc.
Methods for purchasing reinsurance coverage	When choosing reinsurer, we consider their credit standing using credit rating, etc. and pay attention to the status of concentration of the risks ceded in particular reinsurers.

Liquidity Risk

We are coping with financing risk by centrally managing cash flows of the whole Company and maintaining certain amount of surplus fund in reserve at all times. We have laid down measures to be taken against financial difficulty according to different levels of stringency and put in place a structure for responding to liquidity crises, etc.

As for market liquidity risk, we are preparing to cope with contingency by estimating the amount of funds that can be turned into cash within a certain period of time based on the market size for each type of asset.

Investment Risk

We calculate VaR* to quantify the risk to our investment portfolio as a whole as well as to each investment portfolio classified by purpose, and monitor the status of risk by comparing them with each predetermined risk limit. The components of investment risk, namely, market risk, credit risk, and real estate investment risk, are also monitored and controlled using methods such as comparing risk quantities against risk limits.

As for the major assets that are exposed to credit risk (public and corporate bonds, loans, etc.), we internally rate individual portfolio companies and borrowers according to their creditworthiness and review the ratings at regular intervals so as to manage the changes in credit standing.

In our real estate investments, we verify investment return and earnings forecasts when selecting where to invest in, while also diversifying our real estate investment portfolio in terms of the properties' location, use, etc. We are also making efforts to eliminate vacancies and implementing systematic and effective maintenance and repair works in order to improve the value of properties and to prevent accidents.

* Value at Risk (VaR): The amount of maximum possible loss that would be incurred with a certain probability. VaR is theoretically calculated by applying historical volatility rates of stock prices, interest rates and other data that represent the size of risks to the current portfolio of assets and liabilities.

Investment risk associated with subsidiaries, etc.

We monitor the risks of stock price or exchange rate fluctuations to the funds invested in our domestic/overseas subsidiaries, affiliates, etc. and country risk (foreign exchange situation, political and economic situation) of the host countries.

Operational Risk

[1] Administrative Risk

In the management of administrative risk, each unit performs administrative work in accordance with internal rules, etc. and controls the associated risks on their own initiative, in addition to the checks conducted by the Internal Audit Department, to ensure sound and appropriate business operation.

Divisions in charge of administrative risk management are working to control administrative risk on a company level by carrying out PDCA cycle* on an ongoing basis, while each unit is working to prevent administrative risk from occurring, and in the event of an administrative error, they attend to customers, analyze the cause, and work out measures to prevent recurrence, without delay and in an appropriate manner.

* PDCA Cycle: An approach to continuous business process improvement by repeating the cycle of Planning, Doing, Checking, and Action.

[2] Systems Risk

To deal with systems risk, we are implementing various measures and controlling system operations in accordance with our "Security Policy" and "System Risk Management Policy," in order to secure a stable and safe operation of our computer systems that underpin our work and services and manage the valuable information of our customers. Specific efforts towards this include having in place backup mechanisms in preparation for fault, failures and other incidents, building a framework for the development and maintenance of systems, establishing backup centers to provide for large-scale disasters, etc., through which we are working to maintain and secure the operation of systems.

To counter the risk of cyber attacks that are growing in sophistication and severity, we have identified cyber risk as a material risk to our corporate management. Having established policies and action plan to protect cyber security, we are working to secure staff and budget for the purpose, discussing risk status at the Executive Management Committee at regular intervals, and working to upgrade our cyber security measures on an ongoing basis.

Efforts are being made to employ appropriate cyber security measures in the development of systems and provision of services, with multilayered defense at work to prevent the leakage of customer information and illegal access to the systems, among others, so that the customers can feel safe to use our services over the Internet. We are also working to strengthen our cyber security with focus on early detection, response and recovery.

Under the leadership of Chief Information Security Officer, who professionally oversees cyber security matters, we prepare responses, based on which we employ technical measures, develop personnel specializing in cyber security, and offer in-house education on a continuous basis. In addition, "CSIRT,"* a cross-divisional organization to tackle cyber security, has been established to share the status of cyber security monitoring and to regularly conduct drills and trainings in preparation for cyber attacks, as part of our effort to enhance our ability to cope with contingencies. We also check the cyber security measures taken at our outsourcing partners to ensure supply chain safety.

Moreover, we are working in cooperation with relevant government offices and agencies, the General Incorporated Association Financials ISAC Japan, and other information organizations dealing in cyber security to actively share information, as part of our effort to promote self-help and mutual-help efforts that lead to stronger cyber security for the society as a whole.

* Computer Security Incident Response Team

[3] Information Risk

In the management of information risk, we manage our customer information properly in accordance with the "Security Policy" and the "Customer Information Management Policy" so as to prevent its leakage and resultant damage to our customers' valuable rights and interest and to the Company's sound business operation.

In concrete terms, we have defined the proper handling of customer information at each stage from collection, storage, transmission to destruction in our internal regulations, which are communicated through internal announcements, internal trainings and other opportunities so that these are fully understood by all our officers and employees. We are also staying aware of the state of information management at each unit and taking measures as needed.

The status of these safety control efforts concerning customer information and other data is also covered in the internal audits conducted by the Internal Audit Department, the results of which are utilized in the upgrading and strengthening of safety control measures.

[4] Other Operational Risks

Our risk management also covers conduct risk, human risk, tangible assets risk, and reputational risk, in addition to the above.

Conduct risk is defined as a "risk of huge future loss stemming from inappropriate conduct in disregard of laws and regulations or lack of customer-oriented view resulting in the failure to perform customer-oriented business operations." We are using internal trainings and other opportunities to ensure that all employees fully understand and exercise customer-oriented services, which is important from the perspective of risk management.

Measures Against Large-scale Disasters

We have established "Crisis Management Regulations" to prepare ourselves for large-scale disasters, serious damage caused by rumor, and other crises, and a "Manual of Procedures for Large-scale Disaster Contingency" that sets down systems and procedures for the Company to make decisions and to maintain the ability to carry out office work under large-scale disaster situations.

As a precaution for situations where the head office stops functioning and it becomes difficult to continue critical operations such as paying insurance claims as usual, we have a "Business Continuity Plan (BCP)" in place, with more detailed responses provided in the "Business Continuity Manual."

In the wake of actual disasters such as the Great East Japan Earthquake, the 2016 Kumamoto Earthquake, the Heavy Rain Event of July 2018, and the spread of COVID-19, we set up crisis response headquarters without delay, checked the status of damage within and outside of the Company, sent messages to or paid visits to our customers, and made payments of insurance claims, etc. swiftly and as appropriate.

We will strive to live up to the trust of our customers by continuing implementing annual drills as planned, reviewing and revising manuals as needed based on the results of the drills, and making other efforts to maintain and improve our readiness.

Disclosure

Active Disclosure

Recognizing that improving disclosure is the key to facilitating our stakeholders' deeper understanding of our business management, we are driving efforts towards

active disclosure. We will continue our active disclosure activities through various channels and methods.

Title	Description
REPORT SUMISEI 2022 Sumitomo Life Insurance Company [Integrated Report] FY2022 Disclosure Booklet (Japanese)	Includes financial statements, business overview, activity reports, and other information for fiscal year 2021 pursuant to the provisions of Article 111 of the Insurance Business Act.
REPORT SUMISEI 2022 Sumitomo Life Insurance Company [Integrated Report] FY2022 Disclosure Booklet (Main Part) (Japanese)	Compiled based on the International Integrated Reporting Framework of the International Integrated Reporting Council (IIRC) and the Guidance for Collaborative Value Creation of the Ministry of Economy, Trade and Industry.
Annual Report (English)	Explains the financial results and performance for overseas audience.
Sustainability Report (Japanese/English)	Designed to convey our sustainability initiatives in a format that is easy to understand for our various stakeholders.
Responsible Investment Activities Report (Japanese/English)	States our policy and activities regarding responsible investment.
Consumer-oriented Communication Book (Japanese)	Describes some of our key customer-oriented initiatives such as our efforts to bring the voices of our customers into business and our activities that reflect the demands of consumers or society.

* The above materials are available on our website.



REPORT SUMISEI 2022
Sumitomo Life Insurance
Company [Integrated
Report]
FY2022 Disclosure Booklet
(Main Part)



REPORT SUMISEI 2022
Sumitomo Life Insurance
Company [Integrated
Report]
FY2022 Disclosure Booklet

Basic Policy on Information Disclosure

In full recognition of our social responsibility and our duty to the public as a life insurance company, we will strive to improve the soundness and transparency of management by disclosing corporate information in line with the following policy.

- We will make disclosure of information in a timely and adequate manner.
- We will make disclosure of information voluntarily, actively, and in a way that is easy to understand.
- We will build and strengthen internal system in order to ensure appropriate disclosure of information.

Provision of Information through Our Official Website

We publish a variety of information on our official website such as our corporate philosophy, brand vision, and our initiatives towards achieving SDGs, not to mention information on our products and services, guide to procedures, and also financial results and other financial data. Customers who have insurance policies with Sumitomo Life can utilize Sumisei Direct Service on our official website to deposit or withdraw money, check the status of their insurance policies, or perform various procedures.

The special website for SUMITOMO LIFE Vitality features information on the SUMITOMO LIFE Vitality Shared-Value Insurance. Members of Vitality can view the Vitality Points they have earned or check their current status level on the Members' Portal. "SUMITOMO LIFE Vitality Club," a community site for Vitality members, serves as a platform for members to communicate with or cheer on one another by posting their day to day challenges or thoughts and impressions on the Talk Room (a bulletin board).



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We also regularly provide information via social media (Facebook, Instagram, Twitter, LINE, YouTube) centering on "SUMITOMO LIFE Vitality," such as latest updates on new commercials and campaigns, information related to health enhancement, our efforts towards achieving SDGs, as well as other topics that would help to bring us closer to the audience.

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History of the Sumitomo Life Group

Based on the aspiration of founder, Toshiyuki Okamoto to “create an ideal life insurance company,” Sumitomo Life was established in May 1907.

After more than 100 years of the establishment, we aim to become an “indispensable insurance company,” through ongoing efforts to fulfil the social responsibility to contribute to the realization of a “society of affluence, vitality and longevity” through the life insurance business.

<p>Foundation of Hinode Life Insurance Co., Ltd. (1907)</p> <p>Founded by Toshiyuki Okamoto with the aspiration to “create an ideal life insurance company.” Appraised at the time as “the diamond of the industry” for its sound management.</p>  <p>Head office building of Hinode Life Insurance Co., Ltd. (Kyobashi-ku, Tokyo-shi, completed in December, 1913)</p>	1907	May.	Established Hinode Life Insurance Co., Ltd. (Foundation of Sumitomo Life)
<p>Start of Sumitomo Life Insurance Co., Ltd. (1926)</p> <p>Renamed to Sumitomo Life Insurance Co., Ltd., and started the life insurance business of Sumitomo for social and public interests.</p>  <p>Sumitomo Building (Kitahama, Higashi-ku, Osaka-shi)</p>	1926	May.	Name changed to Sumitomo Life Insurance Co., Ltd.
<p>Establishment of Kokumin Life Insurance Co. (1947)</p> <p>Established a new company, Kokumin Life Insurance Co. after the dismantling of large Japanese conglomerates after World War II and started under “the proactive and sound operation policy.”</p>  <p>Head office of Kokumin Life Insurance Co. (Azuchimachi, Higashi-ku, Osaka-shi)</p>	1947	Aug.	Established Kokumin Life Insurance Co.
<p>Return to “Sumitomo” brand (1952)</p> <p>Rebranded as Sumitomo Life Insurance Company and set the current Management Policy.</p>  <p>President Taizo Ashida announces the company name change on the radio.</p>	1952	Jun.	Name changed to Sumitomo Life Insurance Company.
<p>Establishment of PICC Life Insurance Co., Ltd. (2005)</p> <p>Established PICC Life Insurance Co., Ltd. in partnership with The People’s Insurance Co. (Group) of China Ltd., the parent company of China’s largest non-life insurance company.</p> 	1960	Oct.	Established Sumitomo Life Social Welfare Services Foundation (currently, Sumitomo Life Welfare and Culture Foundation).
<p>Establishment of Medicare Life Insurance Co., Ltd. (2010)</p> <p>Established the company to flexibly provide insurance products, adequately coping with various customers’ needs.</p>  <p>Mascot characters <i>Medi-kun’s Family</i></p>	1960	Oct.	Established Sumitomo Life Social Welfare Services Foundation (currently, Sumitomo Life Welfare and Culture Foundation).
<p>Establishment of Medicare Life Insurance Co., Ltd. (2010)</p> <p>Established the company to flexibly provide insurance products, adequately coping with various customers’ needs.</p>  <p>Mascot characters <i>Medi-kun’s Family</i></p>	1977	Dec.	Started “Sumisei children’s drawing contests.”
<p>Establishment of Medicare Life Insurance Co., Ltd. (2010)</p> <p>Established the company to flexibly provide insurance products, adequately coping with various customers’ needs.</p>  <p>Mascot characters <i>Medi-kun’s Family</i></p>	1985	Jun.	Established Sumitomo Life Health Foundation.
<p>Establishment of Medicare Life Insurance Co., Ltd. (2010)</p> <p>Established the company to flexibly provide insurance products, adequately coping with various customers’ needs.</p>  <p>Mascot characters <i>Medi-kun’s Family</i></p>	1986	Feb.	Started to distribute “ <i>Sumisei Anshin Dayori</i> ” (newsletters for customers).
<p>Establishment of Medicare Life Insurance Co., Ltd. (2010)</p> <p>Established the company to flexibly provide insurance products, adequately coping with various customers’ needs.</p>  <p>Mascot characters <i>Medi-kun’s Family</i></p>	1986	Apr.	Started to host annual “Charity Concerts throughout Japan.”
<p>Establishment of Medicare Life Insurance Co., Ltd. (2010)</p> <p>Established the company to flexibly provide insurance products, adequately coping with various customers’ needs.</p>  <p>Mascot characters <i>Medi-kun’s Family</i></p>	1990	Apr.	Opened “Izumi Hall” (currently, Sumitomolife Izumi Hall).
<p>Establishment of Medicare Life Insurance Co., Ltd. (2010)</p> <p>Established the company to flexibly provide insurance products, adequately coping with various customers’ needs.</p>  <p>Mascot characters <i>Medi-kun’s Family</i></p>	1990	Oct.	Started to run “ <i>Sosaku Yojijukugo</i> ” campaign to create four-character new idioms in kanji.”
<p>Establishment of Medicare Life Insurance Co., Ltd. (2010)</p> <p>Established the company to flexibly provide insurance products, adequately coping with various customers’ needs.</p>  <p>Mascot characters <i>Medi-kun’s Family</i></p>	2001	Apr.	Launched an insurance product “LIVE ONE”.
<p>Establishment of Medicare Life Insurance Co., Ltd. (2010)</p> <p>Established the company to flexibly provide insurance products, adequately coping with various customers’ needs.</p>  <p>Mascot characters <i>Medi-kun’s Family</i></p>	2001	Jul.	Completed the head office building.
<p>Establishment of Medicare Life Insurance Co., Ltd. (2010)</p> <p>Established the company to flexibly provide insurance products, adequately coping with various customers’ needs.</p>  <p>Mascot characters <i>Medi-kun’s Family</i></p>	2001	Oct.	Eight life insurance companies established a corporate pension service agency, Japan Pension Service Co., Ltd.
<p>Establishment of Medicare Life Insurance Co., Ltd. (2010)</p> <p>Established the company to flexibly provide insurance products, adequately coping with various customers’ needs.</p>  <p>Mascot characters <i>Medi-kun’s Family</i></p>	2002	Oct.	Started to sell annuity products at bank counters.
<p>Establishment of Medicare Life Insurance Co., Ltd. (2010)</p> <p>Established the company to flexibly provide insurance products, adequately coping with various customers’ needs.</p>  <p>Mascot characters <i>Medi-kun’s Family</i></p>	2002	Dec.	Sumitomo Mitsui Asset Management Co., Ltd. (currently, Sumitomo Mitsui DS Asset Management Co., Ltd.) started operations.
<p>Establishment of Medicare Life Insurance Co., Ltd. (2010)</p> <p>Established the company to flexibly provide insurance products, adequately coping with various customers’ needs.</p>  <p>Mascot characters <i>Medi-kun’s Family</i></p>	2003	Sep.	Launched an insurance product “Q Pack.”
<p>Establishment of Medicare Life Insurance Co., Ltd. (2010)</p> <p>Established the company to flexibly provide insurance products, adequately coping with various customers’ needs.</p>  <p>Mascot characters <i>Medi-kun’s Family</i></p>	2004	Oct.	Formed a business alliance with ALICO Japan (currently, MetLife, Inc.).
<p>Establishment of Medicare Life Insurance Co., Ltd. (2010)</p> <p>Established the company to flexibly provide insurance products, adequately coping with various customers’ needs.</p>  <p>Mascot characters <i>Medi-kun’s Family</i></p>	2005	Apr.	Launched an insurance product “Sumisei Senkyakubanrai”.
<p>Establishment of Medicare Life Insurance Co., Ltd. (2010)</p> <p>Established the company to flexibly provide insurance products, adequately coping with various customers’ needs.</p>  <p>Mascot characters <i>Medi-kun’s Family</i></p>	2005	Nov.	Jointly established PICC Life Insurance Co., Ltd. with The People’s Insurance Co. (Group) of China Ltd.
<p>Establishment of Medicare Life Insurance Co., Ltd. (2010)</p> <p>Established the company to flexibly provide insurance products, adequately coping with various customers’ needs.</p>  <p>Mascot characters <i>Medi-kun’s Family</i></p>	2006	Apr.	Launched the “designated proxy claim rider.”
<p>Establishment of Medicare Life Insurance Co., Ltd. (2010)</p> <p>Established the company to flexibly provide insurance products, adequately coping with various customers’ needs.</p>  <p>Mascot characters <i>Medi-kun’s Family</i></p>	2006	Jul.	Established the “Council for Insurance Payment” consisting of external experts.
<p>Establishment of Medicare Life Insurance Co., Ltd. (2010)</p> <p>Established the company to flexibly provide insurance products, adequately coping with various customers’ needs.</p>  <p>Mascot characters <i>Medi-kun’s Family</i></p>	2006	Sep.	Started the Sumisei Direct Service.
<p>Establishment of Medicare Life Insurance Co., Ltd. (2010)</p> <p>Established the company to flexibly provide insurance products, adequately coping with various customers’ needs.</p>  <p>Mascot characters <i>Medi-kun’s Family</i></p>	2007	Jan.	Opened a “consultation window” and “a free consultation system by external lawyers” for the payments of insurance claims, etc.
<p>Establishment of Medicare Life Insurance Co., Ltd. (2010)</p> <p>Established the company to flexibly provide insurance products, adequately coping with various customers’ needs.</p>  <p>Mascot characters <i>Medi-kun’s Family</i></p>	2007	May.	100th anniversary of foundation
<p>Establishment of Medicare Life Insurance Co., Ltd. (2010)</p> <p>Established the company to flexibly provide insurance products, adequately coping with various customers’ needs.</p>  <p>Mascot characters <i>Medi-kun’s Family</i></p>	2007	Nov.	Launched the “long-term cancer support rider.”
<p>Establishment of Medicare Life Insurance Co., Ltd. (2010)</p> <p>Established the company to flexibly provide insurance products, adequately coping with various customers’ needs.</p>  <p>Mascot characters <i>Medi-kun’s Family</i></p>	2007	Nov.	Launched the “long-term cancer support rider.”
<p>Establishment of Medicare Life Insurance Co., Ltd. (2010)</p> <p>Established the company to flexibly provide insurance products, adequately coping with various customers’ needs.</p>  <p>Mascot characters <i>Medi-kun’s Family</i></p>	2008	Mar.	Established the “Customer Satisfaction Enhancement Advisors Meeting” consisting of experts outside the company.
<p>Establishment of Medicare Life Insurance Co., Ltd. (2010)</p> <p>Established the company to flexibly provide insurance products, adequately coping with various customers’ needs.</p>  <p>Mascot characters <i>Medi-kun’s Family</i></p>	2009	Jan.	Launched the “hospitalization coverage enhancement rider.”
<p>Establishment of Medicare Life Insurance Co., Ltd. (2010)</p> <p>Established the company to flexibly provide insurance products, adequately coping with various customers’ needs.</p>  <p>Mascot characters <i>Medi-kun’s Family</i></p>	2009	Oct.	Started the full-scale sale of non-life insurance products of Mitsui Sumitomo Insurance Company for individual and corporate customers.
<p>Establishment of Medicare Life Insurance Co., Ltd. (2010)</p> <p>Established the company to flexibly provide insurance products, adequately coping with various customers’ needs.</p>  <p>Mascot characters <i>Medi-kun’s Family</i></p>	2009		Consolidated subsidiaries involved in insurance agency business and renamed to Izumi Life Designers Co., Ltd.
<p>Establishment of Medicare Life Insurance Co., Ltd. (2010)</p> <p>Established the company to flexibly provide insurance products, adequately coping with various customers’ needs.</p>  <p>Mascot characters <i>Medi-kun’s Family</i></p>	2010	Apr.	Medicare Life Insurance Co., Ltd. started operations as a life insurance subsidiary.
<p>Establishment of Medicare Life Insurance Co., Ltd. (2010)</p> <p>Established the company to flexibly provide insurance products, adequately coping with various customers’ needs.</p>  <p>Mascot characters <i>Medi-kun’s Family</i></p>	2010	Oct.	Disclosed Embedded Value.

2011	Mar.	Started a brand strategy Deployed a new corporate brand Started "Sumisei Future Support Activities."
2012	Mar. Dec.	Enhanced the "Sumisei Future Support Activities." Formed a strategic business alliance with Baoviet Holdings (Vietnam).
2013	Mar. Aug. Dec.	Launched insurance products "Cancer PLUS," "Kyu-Q-Tai GO," and "Doctor GO," and started the "Sumisei Second Opinion Service." Launched an insurance product "Value Care," and started the "Sumisei Care Advice Service." Formed a strategic business alliance with PT Bank Negara Indonesia (Persero) Tbk and PT BNI Life Insurance. Launched "Tanoshimi Wonderful," and "Tanoshimi Mirai."
2014	Mar. Jun. Sep.	Started the "Sumisei After School Project." Started the direct payment service of advanced medical treatment benefits to medical institutions. Acquired full ownership of Medicare Life Insurance Co., Ltd. Opened "Sumisei Health Consultation Dial."
2015	Jul. Sep.	Transitioned to a Company with Three Committees. Launched an insurance product "1-UP."
2016	Feb. Jul. Oct.	Acquired full ownership of Symetra Financial Corporation, a U.S. life insurance group. Started the "Japan Vitality Project." Formed a business alliance with NN Life Insurance Company.
2017	Mar. May. Jul.	Launched an insurance product "Prime Fit." Started "Sumisei Vitality Action," a social contribution program, commemorating the 110th anniversary of foundation of Sumitomo Life. Acquired INSURANCE DESIGN as a subsidiary.
2018	Apr. Jul. Oct. Nov.	Established "Sumitomo Life Digital Innovation Labs." Launched an insurance product "SUMITOMO LIFE Vitality." Formed a business alliance with Sony Life Insurance Co., Ltd. Formed a business alliance with AXA Life Insurance Co., Ltd. Co-founded "Well Aging Co-creation Lab" with AXA Life Insurance Co., Ltd.
2019	Apr. Jun. Aug. Oct.	Held the first "parkrun event" in Japan. Invested in Singapore Life Pte. Ltd. (Singlife). Acquired AIARU Small Amount & Short Term Insurance Co., Ltd. as a subsidiary. Started to develop "Sumitomo Life Vitality Plaza outlets."
2020	Mar. Nov.	Launched an insurance product "Dementia PLUS." Established "SUMISEI INNOVATION FUND."
2021	Jan. Mar. Apr.	Started the web-based application service for payment claims. Launched an insurance product "Cancer PLUS ALIVE." Set reduction targets toward net-zero greenhouse gas emissions.
2022	Mar. May.	"SUMITOMO LIFE Vitality" topped one million enrollments. Launched "Sumisei Dementia Insurance." Formulated the Sustainability Management Policy.

Deployment of a new corporate brand (2011)

Implemented the new brand strategy, incorporating the thoughts of our foundation to "create an ideal company" in the message of "empowering your future."
あなたの未来を強くする


Strategic business alliance with Baoviet Holdings in Vietnam (2012)

Entered the Vietnamese market through investing in Baoviet Holdings, the largest insurance and financial group of the Socialist Republic of Vietnam.


Strategic business alliance with PT BNI Insurance (2013)

Entered the Indonesian market through investing in PT BNI Insurance, a life insurance subsidiary of PT Bank Negara Indonesia (Persero) Tbk, one of the major state-owned commercial banks in the Republic of Indonesia.


Acquisition of full ownership of "Symetra Financial Corporation," a U.S. life insurance group (2016)

Entered the U.S. market to support long-term enhancement of our policyholder interests through strengthening our earnings base, realizing risk diversification, and enjoying the U.S. market growth.



Launch of "SUMITOMO LIFE Vitality" (2018)

An insurance product to "reduce risks themselves" through the evaluation of continuous health enhancement activities including annual medical checkups and daily exercises after enrollment, making a clear departure from conventional life insurance products which determine insurance premiums based on health conditions at enrollment or at a specific point in time. Rewards are provided by partner companies which sympathize with the philosophy and objective of "SUMITOMO LIFE Vitality."



Investment in Singapore Life Pte. Ltd. (Singlife) (2019)

Invested in Singlife, aiming for capturing the cutting-edge digital technologies and business models.


Acquisition of AIARU Small Amount & Short Term Insurance Co., LTD. as a subsidiary (2019)

Promoted "multi-channel and multi-product strategy" through AIARU Small Amount & Short Term Insurance Co., Ltd. which flexibly develops and sells products to meet specific market needs.



Launch of "Sumisei Dementia Insurance" (2022)

The product realizes lower insurance premiums than "Dementia PLUS" by limited insurance coverage and requires the disclosure of only four information before enrollment.



"SUMITOMO LIFE Vitality" topping one million enrollments (2022)

Topped one million enrollments with favorable reputation of the product to contribute to the health enhancement, under the increased concern for health in the society of health and longevity in the age of 100-year lifespan.



◆ Main Business Areas and Organizational Structure

Main business areas of the Company, its subsidiaries, and affiliated companies and the organizational structure are as follows.

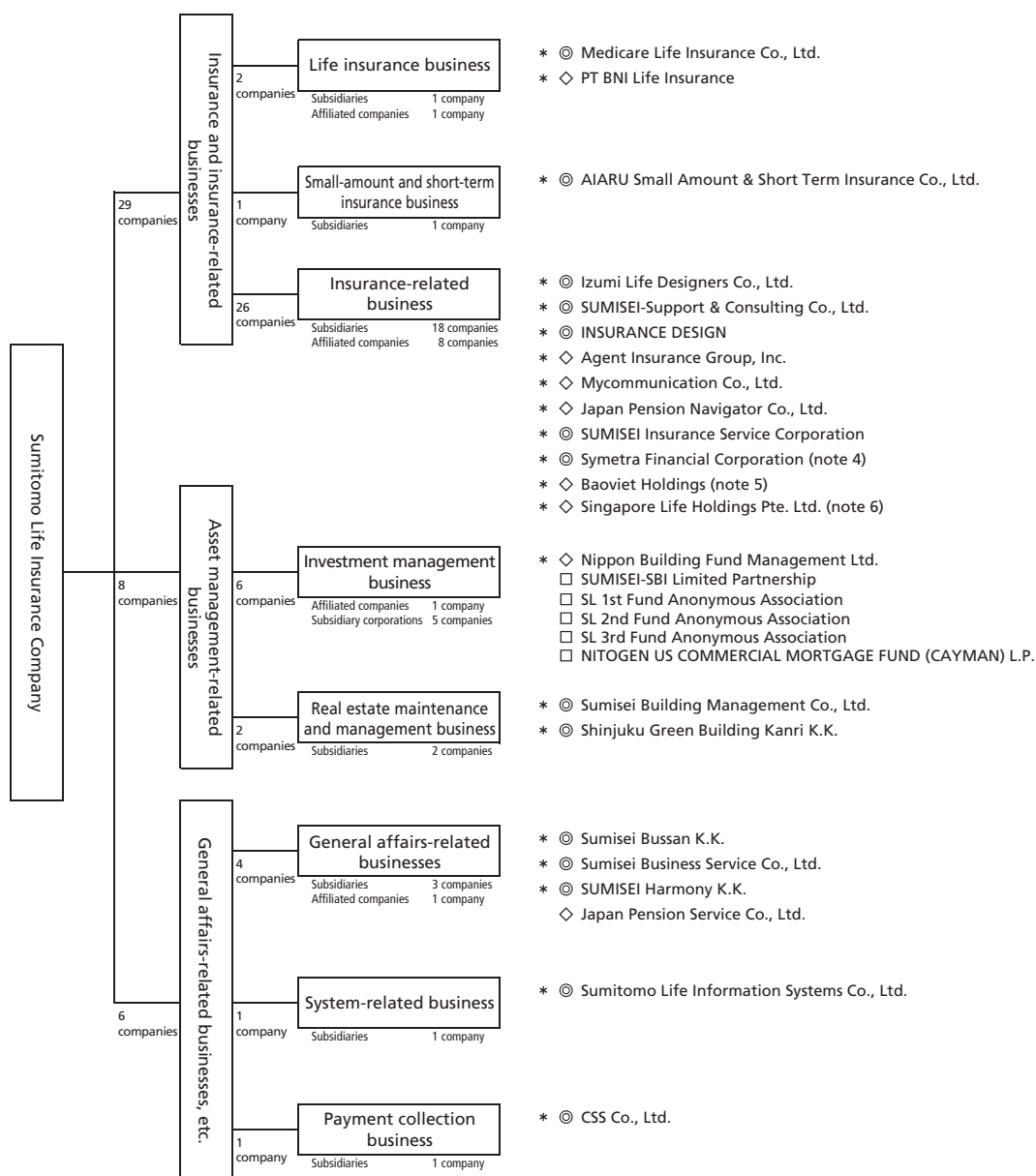
1. Main business areas

- a. Insurance and insurance-related businesses
Regarding insurance businesses, the Company, Medicare Life Insurance Co., Ltd., and one other company run a life insurance business, and AIARU Small Amount & Short Term Insurance Co., Ltd. runs a small amount and short-term insurance business. Regarding domestic insurance-related businesses, Izumi Life Designers Co., Ltd. and four other companies run an insurance solicitation business, and two other companies run a defined contribution pension administration business and a life

insurance confirmation business. Symetra Financial Corporation and two other companies run an overseas insurance-related business as a bank holding company.

- b. Asset management-related businesses
Nippon Building Fund Management Ltd. and five other companies run an investment management business. Sumisei Building Management Co., Ltd. and one other company run a maintenance management business of real estates they own.
- c. General affairs-related businesses, etc.
Sumisei Bussan K.K. and other three companies run general affairs-related businesses, and Sumitomo Life Information Systems Co., Ltd. runs a system-related business. CSS Co., Ltd. runs a payment collection business.

2. Business structure chart



Notes: 1. This chart shows the situation as of March 31, 2022.

2. Companies marked by "◎" are subsidiaries (subsidiaries specified in Article 2, paragraph (12) of the Insurance Business Act). Companies marked by "◇" are affiliated companies (affiliated companies specified in Article 13-5-2, paragraph (4) of the Enforcement Order of the Insurance Business Act). Companies marked by "□" are subsidiary corporations (subsidiary corporations excluding subsidiaries specified in Article 13-5-2, paragraph (3) of the Enforcement Order of the Insurance Business Act).

3. Companies marked by " * " are consolidated subsidiaries and affiliated companies accounted for by the equity method as of March 31, 2022.

4. Thirteen subsidiaries of Symetra Financial Corporations including Symetra Life Insurance Company are included in our subsidiaries.

5. Baoviet Life Corporation, which is a subsidiary of Baoviet Holdings, is included in our affiliated companies.

6. Two subsidiaries of Singapore Life Holdings Pte. Ltd. including Singapore Life Ltd. are included in our affiliated companies.

◆ Subsidiaries and Affiliated Companies

Domestic

As of March 31, 2022

Name	Main business site	Issued capital (Millions of yen)	Main business	Establishment	Proportion of voting rights held by Sumitomo Life among voting rights held by all shareholders, members, or investors (%)	Proportion of voting rights held by subsidiaries and affiliated companies of Sumitomo Life (%)
Medicare Life Insurance Co., Ltd.*	1-11-12, Fukagawa, Koto-ku, Tokyo	60,000	Life insurance business	Oct. 1, 2009	100.00	—
AIARU Small Amount & Short Term Insurance Co., Ltd.*	15-18, Nihonbashi Kodenmacho, Chuo-ku, Tokyo	299	Small-amount and short-term insurance business	Apr. 25, 1984	100.00	—
Izumi Life Designers Co., Ltd.*	3-3-5, Akasaka, Minato-ku, Tokyo	100	Insurance solicitation business	Jan. 4, 1983	100.00	—
SUMISEI-Support & Consulting Co., Ltd.	6-14-1, Nishi Shinjuku, Shinjuku-ku, Tokyo	100	Insurance solicitation business	Apr. 3, 1995	100.00	—
INSURANCE DESIGN*	2-3-10, Nishi Honmachi, Nishi-ku, Osaka-shi, Osaka	20	Insurance solicitation business	Jul. 1, 2008	95.00	—
Agent Insurance Group, Inc.*	3-29, Ichigaya Honmuracho, Shinjuku-ku, Tokyo	231	Insurance solicitation business	Jun. 1, 2001	44.83	—
Mycommunication Co., Ltd.*	3-19-3, Aoi, Higashi-ku, Nagoya-shi, Aichi	76	Insurance solicitation business	May 1, 2000	43.00	—
Japan Pension Navigator Co., Ltd.*	1-3-4, Yaesu, Chuo-ku, Tokyo	1,600	Defined contribution pension administration business	Sep. 21, 2000	15.95	—
SUMISEI Insurance Service Corporation*	1-2-20, Kujo Minami, Nishi-ku, Osaka-shi, Osaka	15	Life insurance confirmation business	May 1, 1978	80.00	20.00
Nippon Building Fund Management Ltd.*	2-3-1, Nihonbashi Muromachi, Chuo-ku, Tokyo	495	Investment trust business and investment corporation asset management business	Sep. 19, 2000	35.00	—
Sumisei Building Management Co., Ltd.*	14-1, Nihonbashi Koamicho, Chuo-ku, Tokyo	100	Real estate maintenance and management business	Jun. 1, 1967	100.00	—
Shinjuku Green Building Kanri K.K.*	6-14-1, Nishi Shinjuku, Shinjuku-ku, Tokyo	20	Real estate maintenance and management business	Oct. 30, 1985	3.52	61.17
Sumisei Bussan K.K.*	1-2-20, Kujo Minami, Nishi-ku, Osaka-shi, Osaka	10	Merchandising business	Jan. 13, 1969	100.00	—
Sumisei Business Service Co., Ltd.*	1-4-70, Shiromi, Chuo-ku, Osaka-shi, Osaka	70	Clerical work agency	Jan. 4, 1985	100.00	—
SUMISEI Harmony K.K.*	1-4-35, Shiromi, Chuo-ku, Osaka-shi, Osaka	50	Administrative business	Feb. 1, 2001	100.00	—
Japan Pension Service Co., Ltd.	1-4-70, Shiromi, Chuo-ku, Osaka-shi, Osaka	2,000	Corporate pension service agency	Apr. 1, 1988	39.67	—
Sumitomo Life Information Systems Co., Ltd.*	4-1-14, Miyahara, Yodogawa-ku, Osaka-shi, Osaka	300	Computer operations	May 12, 1971	100.00	—
CSS Co., Ltd.*	3-6-2, Bingomachi, Chuo-ku, Osaka-shi, Osaka	10	Payment collection business	Feb. 16, 1976	100.00	—

Notes: 1. Companies marked by " * " are consolidated subsidiaries and affiliated companies accounted for by the equity method as of March 31, 2022.
2. SUMISEI-SBI Limited Partnership and three other companies in the investment management business are also our subsidiary corporations.

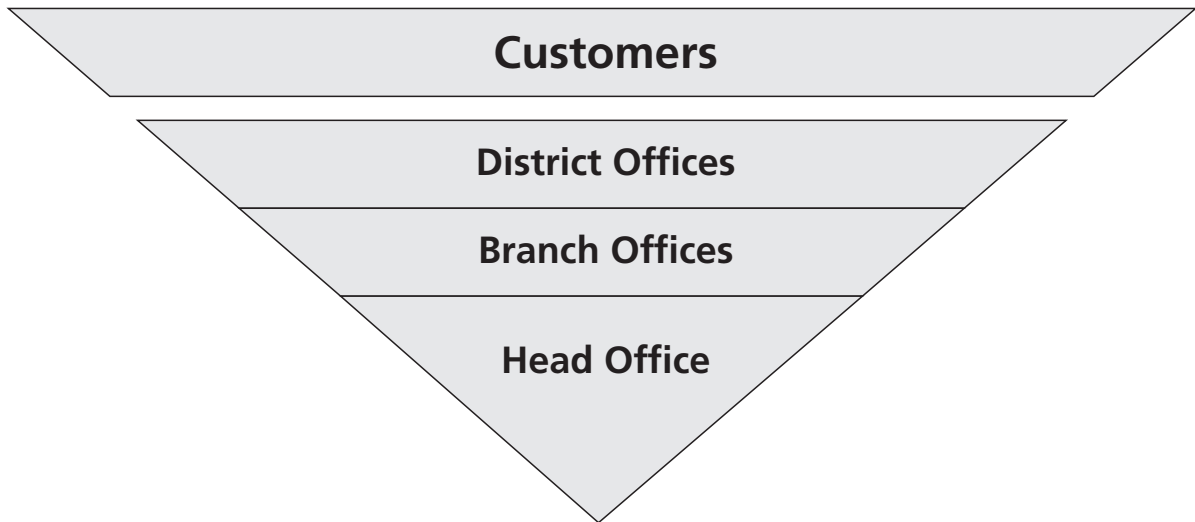
Overseas

As of March 31, 2022

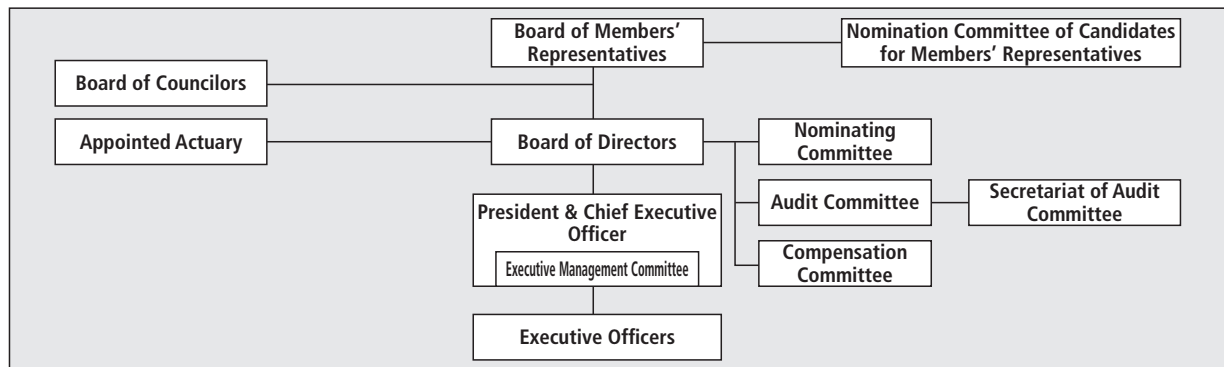
Name	Main business site	Issued capital	Main business	Establishment	Proportion of voting rights held by Sumitomo Life among voting rights held by all shareholders, members, or investors (%)	Proportion of voting rights held by subsidiaries and affiliated companies of Sumitomo Life (%)
PT BNI Life Insurance*	Centennial Tower 9th Floor Jl. Jend. Gatot Subroto Kav 24-25 Jakarta Selatan 12930, Indonesia	IDR 300,699 million	Life insurance business	Nov. 28, 1996	39.99	—
Symetra Financial Corporation*	777 108th Avenue NE, Suite 1200, Bellevue, Washington, USA	\$1	Bank holding company	Feb. 25, 2004	100.00	—
Baoviet Holdings*	Thu Do Building, 72 Tran Hung Dao, Hoan Kiem, Hanoi, Vietnam	VND 7,423,227 million	Bank holding company	Oct. 15, 2007	22.08	—
Singapore Life Holdings Pte. Ltd.*	4 Shenton Way, #01-01 SGX Centre II Singapore 068807	SGD2,077 million	Bank holding company	Jul. 17, 2020	21.75	—

Notes: 1. Companies marked by " * " are consolidated subsidiaries and affiliated companies accounted for by the equity method as of March 31, 2022.
2. Thirteen subsidiaries of Symetra Financial Corporations including Symetra Life Insurance Company are included in our subsidiaries.
3. Baoviet Life Corporation, which is a subsidiary of Baoviet Holdings, is included in our affiliated companies.
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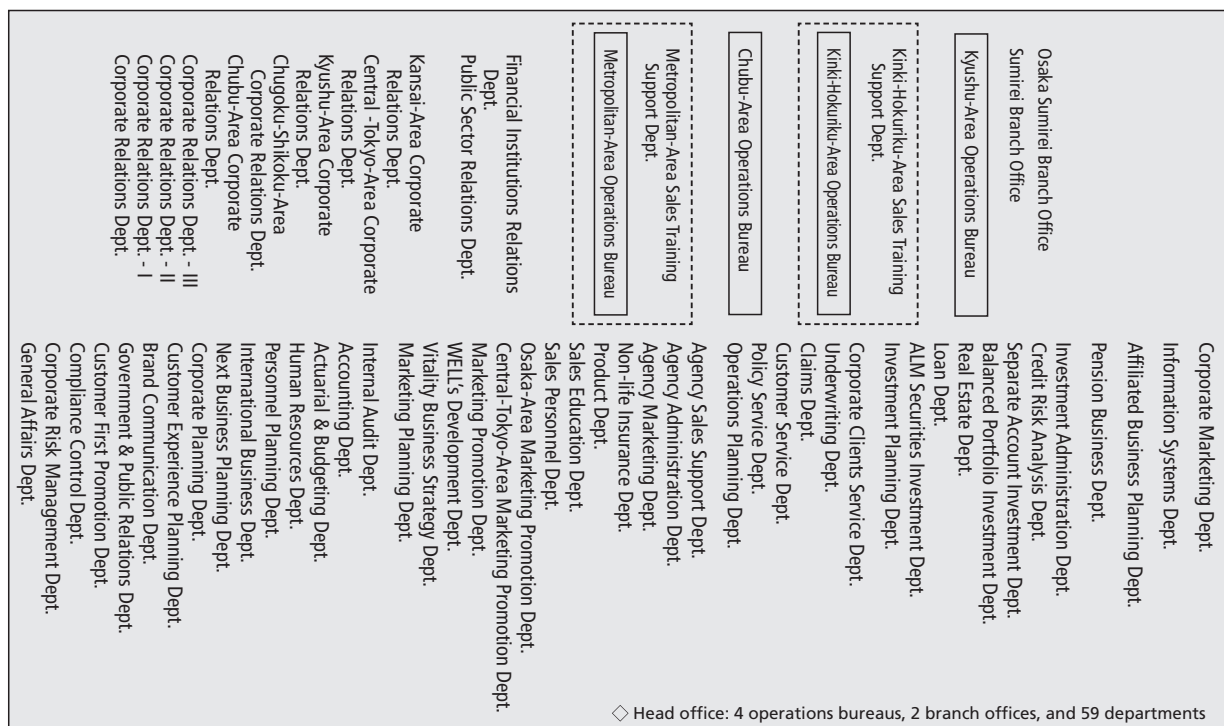
◆ Organizational Chart (as of April 1, 2022)



● Management Organization



● Head Office



● Branch Offices and Representative Offices

- ◇ Branch offices: 90
- ◇ Representative offices: 3 (New York, Hanoi, Beijing)

◆ Overview of Organization

Branch Offices and Representative Offices

Classification	Fiscal 2021*1	Fiscal 2022*2
Branch Offices	90	90
Sumirei Branch Offices	2	2
District Offices	1,464	1,506
Representative Offices	3	3
Total	1,559	1,601

*1. As of April 1, 2021

*2. As of April 1, 2022

Enrollments and New Recruits of Employees

Classification	Enrollments as of March 31, 2021	Enrollments as of March 31, 2022	New recruits in fiscal 2020	New recruits in fiscal 2021	As of March 31, 2022	
					Average age	Average years of service
Administrative Staff	10,921	10,672	479	328	46 years and 4 months	16 years and 3 months
Male	4,272	4,205	138	96	46 years and 9 months	21 years and 1 month
Female	6,649	6,467	341	232	46 years and 2 months	13 years and 1 month
Managerial track*1	3,655	3,986	121	89	44 years and 5 months	20 years and 11 months
General business track*2	4,441	4,325	172	133	44 years and 1 month	13 years and 8 months
Sales representatives	35,163	34,664	5,504	6,118	46 years and 6 months	12 years and 5 months
Male	402	386	38	28	49 years and 4 months	16 years and 10 months
Female	34,761	34,278	5,466	6,090	46 years and 5 months	12 years and 5 months

*1. Renamed from the management track according to the change in the track system in April 2021.

*2. Renamed from the non-management track according to the change in the track system in April 2021.

Average Salary (Administrative Staff)

(Thousands of yen)

Classification	March 2021	March 2022
Administrative Staff	349	353

Note: The average monthly salaries are regular salaries for March of each year, including taxes and excluding bonuses and overtime wages.

Average Salary (Sales Representatives)

(Thousands of yen)

Classification	Fiscal 2020	Fiscal 2021
Sales representatives	254	260

Note: The average monthly salaries are regular salaries for each year including taxes and excluding bonuses.

◆ Number of Members' Representatives and Process of Selection

Number of Members' Representatives

Our articles of incorporation specifies that the number of Members' Representatives shall be 180, and the term of office shall be four years, with the potential reappointment up to two terms of eight years.

We believe that the number of representatives is appropriate, from the perspective of making the Board of Members' Representatives appropriately reflect members' opinions and function as the decision-making body to make resolutions after sufficient deliberations.

Process of selecting Members' Representatives

Members' Representatives are selected in two ways; a direct election by members, and a vote of confidence by all members for candidates whom the Nomination Committee of Candidates for Members' Representatives* recommends.

We adopt the vote of confidence and no system of selection from voluntary candidates, in consideration of the ways of appropriate selection in light of implementing effective election and electing appropriate Members' Representatives with a proportional distribution among a number of members throughout Japan.

The half of the total number of Members' Representatives are selected every two years.

The Nomination Committee of Candidates for Members' Representatives formulates the standard of election of candidates for Members' Representatives in order to appropriately reflect wide ranges of opinions of members in each layer to the Board of Members' Representatives. At each election, the committee elects specific candidates according to the standard with the allocation of a quorum and the election policies including the proportion by occupation, age, and gender.

After selecting candidates for Members' Representatives, the Nomination Committee of Candidates for Members' Representatives gives a public notice on the nomination on our website. Then, the committee implements the vote of confidence by members to ask whether to approve the assumption of office of the candidates.

When the number of non-confidence vote for a candidate is less than one tenth of the total number of members, the candidate passes the vote of confidence.

* The Nomination Committee of Candidates for Members' Representatives consists of ten or less members selected from members at the Board of Members' Representatives Meeting. Note that the secretary-general of the Nomination Committee of Candidates for Members' Representatives is appointed from external human resources, from the perspective of assuring justice in the process of selecting Members' Representatives and independency of the Nomination Committee of Candidates for Members' Representatives.

Selection Standard of Candidates for Members' Representatives

1. Eligibility for candidates	<ul style="list-style-type: none"> a. A member of the Company b. A person who has served as a Members' Representative for less than two terms. c. A person who does not assume the responsibility of a Members' Representative of other life insurance companies d. A person who is not an incumbent executive officer or an employee of the Company
2. Requirements for Members' Representatives	<ul style="list-style-type: none"> a. A person who holds recognition and interests for life insurance business, and insights relevant as a Members' Representative b. A person who is capable of acting as a Members' Representative including attending the Board of Members' Representatives Meetings c. A person who can make a fair judgement at the Board of Members' Representatives Meetings, etc., from the perspective of promoting increased benefits of members as a whole d. A person who is capable of monitoring the business and management of the Company and making meaningful proposals from following perspectives: <ul style="list-style-type: none"> (1) A person who is capable of making proposals from the perspective of an insurance policyholder (2) A person who is capable of making proposals from the perspective of an expert (3) A person who is capable of making proposals from the perspective of corporate management
3. Allocation standard of Members' Representatives by areas	The number of Members' Representatives by areas are determined in proportion with the number of members by areas. The number shall be one, in case the number calculated based on the proportion by areas is less than one. Note that a certain number of members can be determined regardless of areas and the number of members.
4. Composition standard of Members' Representatives	Members' Representatives are selected from a wide range of layers, in light of well-balanced diversity.

◆ Consolidated

◆ Status of Property of Insurance Company and its Subsidiary Company, etc.

Status of Consolidated Settlement of Accounts (Overview of Business for the Latest Fiscal Year)

(Millions of yen)

Items	Fiscal 2017	Fiscal 2018	Fiscal 2019	Fiscal 2020	Fiscal 2021
Ordinary income	3,747,135	3,639,446	3,485,973	3,517,715	3,599,428
Ordinary profit	217,867	150,840	37,591	118,223	128,811
Net surplus attributable to the parent company	69,835	48,266	5,207	26,965	45,605
Comprehensive income (loss)	167,468	92,825	24,620	585,076	(424,405)

(Millions of yen)

Items	March 31, 2018	March 31, 2019	March 31, 2020	March 31, 2021	March 31, 2022
Total assets	36,036,443	37,811,470	38,642,050	41,094,086	42,994,287
Solvency margin ratio	881.7%	915.6%	870.0%	862.5%	794.6%

1 Consolidated Balance Sheets

Millions of Yen

	As of March 31, 2021	As of March 31, 2022
ASSETS:		
Cash and deposits	1,386,540	1,107,622
Call loans	192,142	260,597
Monetary claims bought	565,143	310,140
Money held in trust	—	4,914
Securities	34,343,796	35,833,252
Loans	2,645,407	3,023,520
Tangible fixed assets	570,045	567,165
Land	360,256	357,045
Buildings	174,980	178,632
Lease assets	4,548	3,782
Construction in progress	23,711	22,201
Other tangible fixed assets	6,548	5,503
Intangible fixed assets	193,877	201,871
Software	37,258	37,497
Goodwill	42,918	41,220
Other intangible fixed assets	113,699	123,153
Due from agents	145	239
Reinsurance receivables	1,241	1,728
Other assets	1,112,257	1,375,566
Net defined benefit assets	18,370	21,677
Deferred tax assets	69,056	290,037
Allowance for possible loan losses	(3,938)	(4,047)
Total assets	41,094,086	42,994,287

LIABILITIES:		
Policy reserves and other reserves	32,295,045	33,714,825
Reserve for outstanding claims	138,027	156,079
Policy reserves	31,938,861	33,342,519
Policyholders' dividend reserves	218,156	216,226
Reinsurance payables	12,837	20,523
Corporate bonds	474,969	508,257
Other liabilities	5,272,243	6,124,590
Payables under repurchase agreements	2,870,573	3,513,925
Payables under securities borrowing transactions	501,353	355,998
Other	1,900,316	2,254,666
Net defined benefit liabilities	4,775	2,884
Reserve for price fluctuation	883,835	972,169
Deferred tax liabilities	33,615	13,172
Deferred tax liabilities for land revaluation	12,894	12,583
Total liabilities	38,990,217	41,369,007
NET ASSETS:		
Reserve for redemption of foundation funds	639,000	639,000
Reserve for revaluation	2	2
Surplus	81,850	73,458
Total funds, reserve and surplus	720,853	712,461
Net unrealized gains (losses) on available-for-sale securities	1,526,505	1,015,426
Deferred gains (losses) on derivatives under hedge accounting	104	(3,001)
Land revaluation differences	(59,397)	(59,581)
Foreign currency translation adjustments	(84,516)	(39,098)
Remeasurements of defined benefit plans	185	(1,067)
Total accumulated other comprehensive income	1,382,881	912,676
Non-controlling interests	133	141
Total net assets	2,103,868	1,625,279
Total liabilities and net assets	41,094,086	42,994,287

② Consolidated Statements of Income and Consolidated Statements of Comprehensive Income
[Consolidated Statements of Income]

Millions of Yen

	Years ended March 31, 2021	Years ended March 31, 2022
Ordinary income	3,517,715	3,599,428
Insurance premiums and other	2,415,578	2,411,977
Investment income	981,812	1,084,989
Interest, dividends and other income	748,445	827,483
Gains on money held in trust	—	379
Gains on trading securities	12,785	5,797
Gains on sales of securities	91,348	75,831
Gains on redemption of securities	16,592	2,665
Gains on derivative financial instruments	—	37,153
Foreign exchange gains	—	98,556
Reversal of allowance for possible loan losses	—	220
Other investment income	5,597	10,471
Investment gains on separate accounts	107,044	26,429
Other ordinary income	120,324	102,461
Ordinary expenses	3,399,491	3,470,616
Benefits and other payments	1,873,355	1,898,437
Claims paid	592,713	566,570
Annuity payments	439,632	428,801
Benefits payments	379,375	392,436
Surrender benefits	405,680	448,685
Other refunds	55,954	61,944
Provision for policy reserves and other reserves	771,972	827,824
Provision for reserves for outstanding claims	296	13,558
Provision for policy reserves	771,646	814,237
Provision for interest on policyholders' dividend reserves	29	29
Investment expenses	173,751	134,380
Interest expenses	14,480	14,279
Losses on sales of securities	19,970	71,520
Losses on valuation of securities	4,824	11,735
Losses on redemption of securities	1,657	2,694
Losses on derivative financial instruments	53,720	—
Foreign exchange losses	11,113	—
Provision for allowance for possible loan losses	1,257	—
Depreciation of real estate for investments	8,439	8,446
Other investment expenses	58,287	25,704
Operating expenses	422,875	454,743
Other ordinary expenses	157,536	155,229
Ordinary profit	118,223	128,811
Extraordinary gains	241	2,344
Gains on disposals of fixed assets	241	2,344
Extraordinary losses	98,693	92,541
Losses on disposals of fixed assets	793	3,043
Impairment losses	1,111	480
Provision for reserve for price fluctuation	96,128	88,334
Payments to social responsibility reserve	659	683
Surplus (loss) before income taxes	19,771	38,614
Income taxes		
Current	39,834	41,314
Deferred	(47,041)	(48,314)
Total income taxes	(7,206)	(7,000)
Net surplus	26,978	45,614
Net surplus attributable to non-controlling interests	12	9
Net surplus attributable to the Parent Company	26,965	45,605

04

Financial Section

[Consolidated Statements of Comprehensive Income]

Millions of Yen

	Years ended March 31, 2021	Years ended March 31, 2022
Net surplus	26,978	45,614
Other comprehensive income (loss)	558,098	(470,020)
Net unrealized gains (losses) on available-for-sale securities	575,067	(511,875)
Deferred gains (losses) on derivatives under hedge accounting	(300)	(3,106)
Foreign currency translation adjustments	(19,738)	36,294
Remeasurements of defined benefit plans	4,313	(1,252)
Share of other comprehensive income (loss) of associates under the equity method	(1,243)	9,919
Comprehensive income (loss)	585,076	(424,405)
Comprehensive income (loss) attributable to the Parent Company	585,064	(424,415)
Comprehensive income (loss) attributable to non-controlling interests	12	9

3 Status of Loans under the Insurance Business Act

Millions of Yen, %

Classification	As of March 31, 2021	As of March 31, 2022
Bankrupt and quasi-bankrupt loans	—	—
Doubtful loans	853	755
Loans in arrears for three months or longer	—	—
Restructured loans	1,200	600
Subtotal	2,053	1,355
[Percentage of total]	[0.03]	[0.02]
Normal loans	7,035,235	7,826,592
Total	7,037,288	7,827,947

- Notes: 1. Bankrupt or quasi-bankrupt loans represent loans or quasi-loans to borrowers who have fallen into bankruptcy due to reasons such as the filing of a petition for the commencement of bankruptcy proceedings, the commencement of reorganization proceedings or the commencement of rehabilitation proceedings.
2. Doubtful loans represent loans with a strong likelihood that the loan principal cannot be recovered or interest cannot be received according to the contract due to the borrower, although not yet in bankruptcy, experiencing difficulties in financial position and business performance (excluding loans in the above Note 1).
3. Loans in arrears for three months or longer represent loans on which payments of principal or interest are past due over three months from the day following the contractual due date (excluding loans in the above notes 1 and 2).
4. Restructured loans represent loans that have been restructured to provide certain concessions favorable to the borrowers such as by reducing or waiving interest payments, by rescheduling repayments of principal or payments of interest, or by waiving claims for borrowers in order to support or financially rehabilitate such borrowers (excluding loans in the above notes 1 through 3).
5. Normal loans represent loans that do not fall under the classifications in the above notes 1 through 4, and where the borrower has no financial or business performance problems.

4 Status of Insurance Claims Paying Ability of the Company and Insurance Subsidiaries (Consolidated Solvency Margin Ratio)

Millions of Yen

Items	As of March 31, 2021	As of March 31, 2022
Solvency margin gross amount (A)	5,178,317	4,795,724
Foundation funds and others	516,421	495,828
Reserve for price fluctuation	883,835	972,169
Contingency reserve	510,966	705,442
Unusual contingency reserve	—	—
General allowance for possible loan losses	3,496	3,604
(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)) × 90% (Multiplied by 100% if losses)	1,880,484	1,248,951
Net unrealized gains on real estate × 85% (Multiplied by 100% if losses)	103,047	118,196
Total amount of unrecognized actuarial gains (losses) and unrecognized past service costs	261	(1,482)
Excess of continued Zillmerized reserve	791,007	761,616
Qualifying subordinated debt	569,924	600,510
Excess of continued Zillmerized reserve and qualifying subordinated debt not included in margin calculation	—	—
Deduction clause	(152,230)	(180,420)
Others	71,101	71,306
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)	1,200,721	1,207,009
Insurance risk R_1	90,606	93,867
General insurance risk R_5	—	—
Large disaster risk R_6	0	0
Third-sector insurance risk R_8	82,627	86,858
Insurance risk of small-amount, short-term insurer R_9	9	9
Risk of assumed yield R_2	181,527	175,401
Minimum guarantee risk R_7^*	4,896	6,102
Investment risk R_3	974,755	984,644
Operational risk R_4	26,688	26,937
Solvency margin ratio $\frac{(A)}{(1/2) \times (B)} \times 100$	862.5%	794.6%

* The standard method is used for the calculation of the amount equivalent to minimum guarantee risk.

(Note) The amounts and figures in the table above are calculated based on Article 130 of the Insurance Business Act, Article 86-2 and Article 88 of the Ordinance for Enforcement of the Insurance Business Act and Financial Services Agency Public Notice No.23 of 2011.

◆ Consolidated solvency margin ratio

The consolidated solvency margin ratio is a percentage of “solvency margin gross amount” of the Group to the portion of “quantified total amount of risk” of the Group exceeding the quantified amount of risks that could normally be anticipated; it is one of the indicators to gauge the insurer’s ability to cover liabilities when unforeseen events occur.

When this ratio falls below 200%, an insurance company is subject to administrative intervention by the regulatory agencies to take “prompt corrective action.”

The consolidated solvency margin ratio is one of the financial indicators indicating sound business management, however, it should not be solely relied upon to evaluate the business management soundness of an insurance company. The evaluation of sound business management should be made in a comprehensive manner with due consideration of not only the consolidated solvency margin ratio but also other business management information such as asset management performance and trends in business results.

5 Status of Insurance Claims Paying Ability of Insurance Subsidiaries (Solvency Margin Ratio)

(Medicare Life Insurance Co., Ltd.)

Millions of Yen

Items	As of March 31, 2021	As of March 31, 2022
Solvency margin gross amount (A)	58,667	51,492
Paid-in capital, etc.	24,968	22,338
Reserve for price fluctuation	187	222
Contingency reserve	2,766	3,542
General allowance for possible loan losses	—	—
(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)) × 90% (Multiplied by 100% if losses)	3,726	(356)
Net unrealized gains on real estate × 85% (Multiplied by 100% if losses)	—	—
Excess of continued Zillmerized reserve	27,017	38,542
Qualifying subordinated debt	—	—
Excess of continued Zillmerized reserve and qualifying subordinated debt not included in margin calculation	—	(12,796)
Brought-in capital, etc.	—	—
Deduction clause	—	—
Others	—	—
Total amount of risk $\sqrt{(R_1 + R_8)^2 + (R_2 + R_3 + R_7)^2} + R_4$ (B)	5,104	6,158
Insurance risk R_1	413	442
Third-sector insurance risk R_8	2,215	2,960
Risk of assumed yield R_2	21	23
Minimum guarantee risk R_7	—	—
Investment risk R_3	4,115	4,810
Operational risk R_4	202	247
Solvency margin ratio $\frac{(A)}{(1/2) \times (B)} \times 100$	2,298.5%	1,672.2%

(Note) Figures shown above are calculated in accordance with the provisions of Article 86 and Article 87 of the Ordinance for Enforcement of the Insurance Business Act as well as the Ministry of Finance Public Notice No. 50 of 1996.

6 Segment Information

For the fiscal year ended March 31, 2021 (from April 1, 2020 to March 31, 2021), and the fiscal year ended March 31, 2022 (from April 1, 2021 to March 31, 2022), segment information and its related information are omitted because there is only one business segment in the Company and its subsidiaries.

7 Status of Embedded Value

Embedded Value

The Sumitomo Life Group's embedded value increased ¥189.7 billion year on year due to the positive results of the insurance business such as acquiring new policies and securing earnings from policies in force, despite the negative impact of rising overseas interest rates and other factors.

¥4,678.9 billion

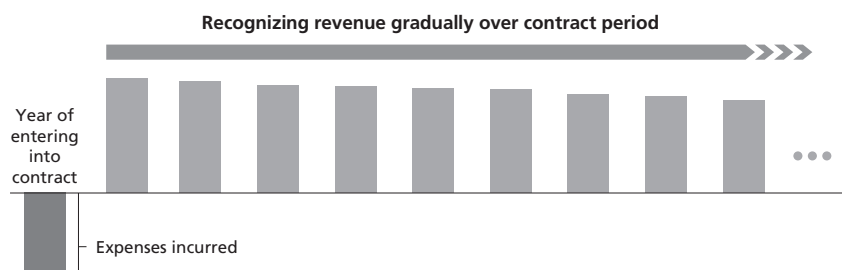
(Sumitomo Life's [non-consolidated] embedded value: ¥4,743.1 billion)

What is embedded value?

Embedded value is calculated by adding the present value of expected future profits from policies in force (value of policies in force) to the adjusted net worth as of the base date of calculation. Under current statutory accounting practices, the initial cost is recognized at the time of entering into the contract, and subsequently revenue is

recognized gradually over the contract period. Given such a pattern of profit or loss recognition, strong sales performance for a period can result in a deterioration of profit or loss for that period. Therefore, it is not necessarily easy to assess the actual financial position of an insurance company based on its accounting financial results.

Pattern of Profit or Loss Recognition of Life Insurance Contracts

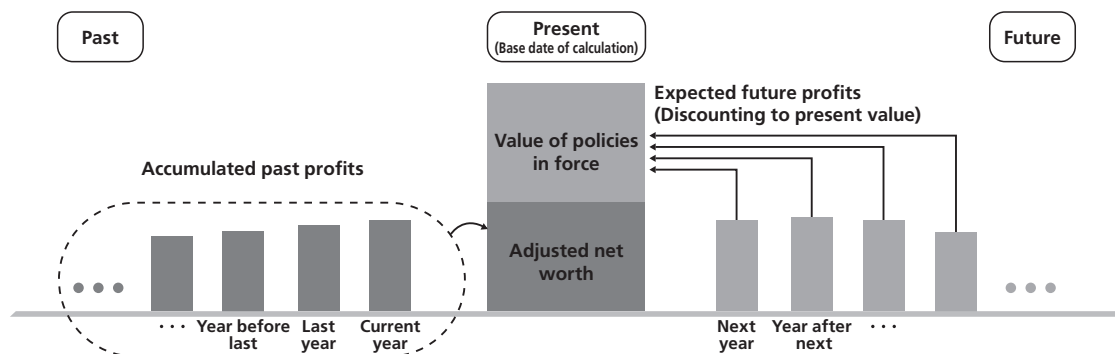


On the other hand, since embedded value assesses the value of an insurance company by adding expected future profits from policies in force to accumulated past profits, it is an indicator that compensates for the lack of information in statutory accounting as described above. We also believe that embedded value plays an important role as an indicator representing key aspects of enterprise value including the company's

financial strength and growth potential, thereby providing useful information to policyholders and various other stakeholders.

The Group embedded value is calculated in compliance with the European Embedded Value ("EEV") Principles established by the CFO Forum, which consists of Chief Financial Officers (CFOs) of major European insurance companies.

Embedded Value (Value of Policies in Force + Adjusted Net Worth)



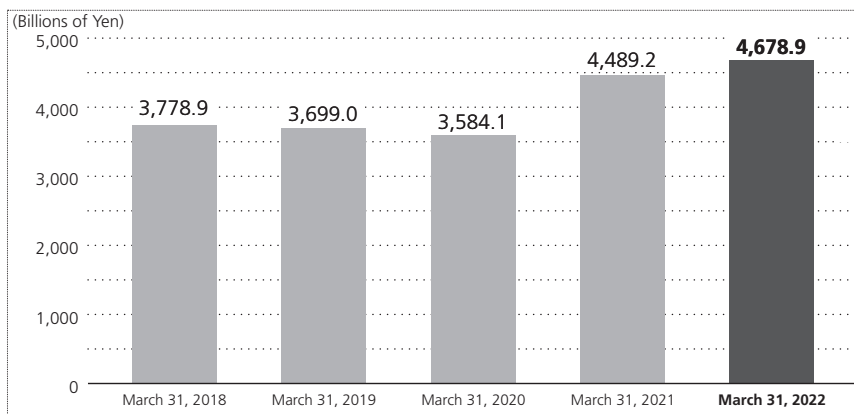
Adjusted Net Worth

It is a measure of net asset value as of the base date of calculation, representing the value of net assets based on the mark-to-market value of assets held, adjusted by the addition of retained earnings in liabilities.

Value of Policies in Force

It is the value of expected future profits from policies in force discounted to present value as of the base date of calculation.

EEV (Sumitomo Life Group)



The Sumitomo Life Group's EEV and Value of New Business as of March 31, 2022

(Billions of yen)	
	As of March 31, 2022
EEV	4,678.9
Value of policies in force	1,040.8
Adjusted net worth	3,638.1
Fiscal 2021	
Value of new policies	139.9

Value of New Policies

The present value of expected future profits from new business acquired during fiscal 2021.

- *1. The EEV of the Group is calculated as follows: Sumitomo Life's EEV plus Medicare Life's EEV and Symetra's EEV attributable to Sumitomo Life's equity stake in each company, less Sumitomo Life's carrying amount of equity of Medicare Life and Symetra.
- *2. For details on the calculation method and other information, please refer to the "Disclosure of European Embedded Value (summary) as of March 31, 2022" posted on our website.

Principal Assumptions

The key assumptions used in the EEV calculation are as follows:

Economic Assumptions

In calculating the certainty equivalent present value of future profits, the yield on government bonds as of the base date of calculation is used as the risk-free rate, taking into account our asset portfolio and the market liquidity.

Non-economic Assumptions

All cash flows (premiums, operating expenses, benefits and claims, cash surrender value, tax, etc.) are projected applying the best estimate assumptions, referring to past, current and expected future experience.

Independent Third-party Review

To ensure the appropriateness and validity of our EEV, we have commissioned an independent third party to review it and have received a written opinion that the calculation methodology and assumptions are in compliance with the EEV Principles.

Impact of Changes in Assumptions (Sensitivity)

The impact of changes in assumptions on the Sumitomo Life Group's EEV is as follows:

(Billions of yen)		
Assumptions	EEV	Change
EEV as of the end of fiscal 2021	4,678.9	-
Sensitivity 1: 50-bp upward parallel shift in risk-free yield curve	4,877.1	198.1
Sensitivity 2: 50-bp downward parallel shift in risk-free yield curve	4,477.7	(201.1)
Sensitivity 3: 10% decline in equity and real estate values	4,404.4	(274.4)
Sensitivity 4: 10% decline in maintenance expenses	4,798.9	119.9
Sensitivity 5: 10% decline in surrender and lapse rate	4,811.1	132.1
Sensitivity 6: 5% decline in mortality and morbidity rates for life insurance products	4,931.2	252.2
Sensitivity 7: 5% decline in mortality and morbidity rates for annuities	4,671.7	(7.2)
Sensitivity 8: Setting required capital at statutory minimum level	4,769.3	90.3
Sensitivity 9: 25% increase in implied volatilities of equity and real estate values	4,676.9	(2.0)
Sensitivity 10: 25% increase in implied volatilities of swaptions	4,627.1	(51.7)

Reference: Breakdown of EEV in terms of ALM strategy

The value of policies in force is calculated assuming the future investment yield to be the yield on government bonds as of the base date of calculation. Therefore, when interest rates decline, the value of policies in force decreases reflecting lower expected future prospects of investment return.

As life insurance products are long-term liabilities, Sumitomo Life invests in and holds primarily yen-denominated interest-bearing assets such as long-term bonds and loans in our ALM strategy, which include long-term bonds with relatively high yields that have been invested in the past.

Accordingly, even if the yield on government bonds (i.e., the assumed future investment yield for the calculation of the value of policies in force) declines, the actual future investment return from these assets does not decrease. A decline in the yield of government bonds leads to an increase in the adjusted net worth through unrealized gains on assets held, compensating for the decrease in the value of policies in force.

Thus, in determining expected future profits from policies in force, it is necessary to consider not only the value of policies

in force but also unrealized gains (losses) on yen-denominated interest-bearing assets and others.

The sum of the value of policies in force and unrealized gains (losses) on yen-denominated interest-bearing assets and others as of March 31, 2022 is ¥1,872.7 billion.

(Billions of yen)	
	As of March 31, 2022
EEV	4,678.9
Total net assets on the balance sheet + Retained earnings in liabilities	1,622.5
Value of policies in force + Unrealized gains (losses) on yen-denominated interest-bearing assets and others	1,872.7
Value of policies in force	1,040.8
Unrealized gains (losses) on yen-denominated interest-bearing assets and others	831.9
Unrealized gains (losses) on assets other than yen-denominated interest-bearing assets and others	1,183.7

◆ Non- Consolidated

◆ Status of Major Operations

Indicators of Major Operations for the Last Five Fiscal Years

(Millions of yen)

Items	Fiscal 2017	Fiscal 2018	Fiscal 2019	Fiscal 2020	Fiscal 2021
Ordinary income	3,400,872	3,285,089	3,085,037	3,108,974	3,094,278
Ordinary profit	229,933	200,591	95,138	155,634	145,962
Core business profit* ¹	352,581	377,090	371,547	347,641	361,162
Net surplus	65,422	60,605	49,337	54,733	58,342
Total foundation funds* ²	639,000	639,000	639,000	639,000	639,000
Total assets	31,536,934	32,730,472	32,951,105	35,400,786	36,443,323
Of which, separate account assets	986,044	829,521	726,126	828,123	828,542
Policy reserves	25,800,570	26,238,890	26,636,065	27,262,040	27,884,255
Loans	2,781,305	2,874,970	2,099,584	1,945,518	2,192,253
Securities	25,819,731	26,764,618	27,423,878	30,463,881	31,362,641
Solvency margin ratio	873.6%	930.1%	873.6%	840.5%	809.00%
Ratio of appropriation of surplus for policyholders' dividend reserves* ³	99.8%	99.7%	100.0%	99.9%	99.9%
Number of employees	42,848	42,954	43,168	46,084	45,336
Number of members (policyholders)* ⁴	7,029,691	7,001,352	6,937,383	6,877,969	6,822,043
Policies in force* ⁵	119,261,881	114,291,657	109,620,952	106,059,804	102,157,551
Individual life insurance	71,751,231	66,769,210	62,109,041	58,035,687	54,104,252
Individual annuities	15,621,584	15,306,014	15,065,308	14,928,964	14,753,173
Group insurance	31,889,064	32,216,432	32,446,601	33,095,152	33,300,124
Policies in force for group annuities* ⁶	2,624,858	2,589,611	2,573,891	2,666,577	2,716,382

*1. The financial impact of fluctuations in the surrender benefits amount concerning market value adjustment and the financial impact of market exchange rate fluctuations concerning foreign currency-denominated insurance policies have been excluded from core business profit since fiscal 2017.

*2. Total foundation funds include reserve for redemption of foundation funds.

*3. Ratio of appropriation of surplus for policyholders' dividend reserves is the ratio of the total amount appropriated to policyholders' dividend reserve and policyholders' dividend equilibrium reserve to the amount calculated pursuant to Article 30-4 of the Regulation for Enforcement of the Insurance Business Act.

*4. In the case of a mutual company, "Members" refers to policyholders (excluding those not eligible for the distribution of surplus).

*5. Policies in force are the total policies in force for individual life insurance, individual annuities and group insurance. Individual annuities are the total of annuity resources at the start of annuities for policies prior to the commencement of annuity payment and policy reserves for policies after the commencement of annuity payment.

*6. Policies in force for group annuities indicate the amount of policy reserves.

◆ Financial Statements

1 Non-Consolidated Balance Sheets

Millions of Yen

	As of March 31, 2021	As of March 31, 2022		As of March 31, 2021	As of March 31, 2022
ASSETS:			LIABILITIES:		
Cash and deposits	1,198,652	883,913	Policy reserves and other reserves	27,586,099	28,218,160
Cash	10	12	Reserve for outstanding claims	105,903	117,678
Deposits	1,198,642	883,901	Policy reserves	27,262,040	27,884,255
Call loans	192,142	260,597	Policyholders' dividend reserves	218,156	216,226
Monetary claims bought	565,143	310,140	Reinsurance payables	196	195
Money held in trust	—	4,914	Corporate bonds	449,924	480,510
Securities	30,463,881	31,362,641	Other liabilities	4,330,415	5,060,044
National government bonds	10,774,290	10,969,097	Payables under repurchase agreements	2,870,573	3,513,925
Local government bonds	238,126	197,554	Payables under securities borrowing transactions	501,353	355,998
Corporate bonds	3,715,977	3,600,985	Loans payable	120,000	120,000
Domestic stocks	2,623,466	2,595,648	Income taxes payable	16,204	10,093
Foreign securities	12,643,660	13,470,574	Accounts payable	34,738	65,056
Other securities	468,359	528,781	Accrued expenses	39,907	40,792
Loans	1,945,518	2,192,253	Deferred income	851	828
Policy loans	258,549	244,196	Deposits received	70,349	71,355
Industrial and consumer loans	1,686,968	1,948,057	Guarantee deposits received	28,596	27,556
Tangible fixed assets	566,262	563,567	Derivative financial instruments	626,965	829,832
Land	359,957	356,840	Cash collateral received for financial instruments	4,389	9,943
Buildings	173,740	177,432	Lease obligations	4,563	3,185
Lease assets	4,387	3,061	Asset retirement obligations	1,768	1,760
Construction in progress	23,711	22,200	Suspense receipts	7,079	8,199
Other tangible fixed assets	4,465	4,032	Rest of other liabilities	3,074	1,517
Intangible fixed assets	38,193	36,293	Reserve for price fluctuation	883,647	971,947
Software	32,682	31,845	Deferred tax liabilities for land revaluation	12,894	12,583
Other intangible fixed assets	5,511	4,448	Total liabilities	33,263,179	34,743,442
Reinsurance receivables	181	135	NET ASSETS:		
Other assets	347,619	519,054	Reserve for redemption of foundation funds	639,000	639,000
Accounts receivable	33,143	31,617	Reserve for revaluation	2	2
Prepaid expenses	5,353	5,559	Surplus	227,648	231,993
Accrued income	142,574	155,921	Reserve for future losses	6,004	6,204
Money on deposit	4,315	4,759	Other surplus	221,643	225,788
Deposits for futures transactions	13,407	47,680	Fund for price fluctuation allowance	165,000	165,000
Derivative financial instruments	108,906	152,345	Reserve for assisting social responsibility	1,338	1,355
Cash collateral paid for financial instruments	25,786	82,758	Other reserves	223	223
Suspense	6,779	8,843	Unappropriated surplus	55,081	59,210
Other assets	7,353	29,568	Total funds, reserve and surplus	866,650	870,995
Prepaid pension cost	15,726	22,150	Net unrealized gains on available-for-sale securities	1,332,915	895,346
Deferred tax assets	68,356	288,586	Deferred gains (losses) on derivatives under hedge accounting	(2,561)	(6,879)
Allowance for possible loan losses	(890)	(925)	Land revaluation differences	(59,397)	(59,581)
Total assets	35,400,786	36,443,323	Total unrealized gains, revaluation reserve and adjustments	1,270,957	828,885
			Total net assets	2,137,607	1,699,880
			Total liabilities and net assets	35,400,786	36,443,323

2 Non-Consolidated Statements of Income

Millions of Yen

	Years ended March 31, 2021	Years ended March 31, 2022
Ordinary income	3,108,974	3,094,278
Insurance premiums and other	2,187,755	2,143,199
Insurance premiums	2,185,080	2,140,392
Reinsurance revenue	338	411
Other income to policy reserves	2,336	2,396
Investment income	816,010	867,086
Interest, dividends and other income	611,775	667,365
Interest on deposits	2,595	787
Interest and dividends on securities	535,731	593,228
Interest on loans	23,518	24,105
Rent revenue from real estate	34,717	32,111
Other interest and dividend	15,211	17,132
Gains on money held in trust	—	379
Gains on sales of securities	79,393	67,019
Gains on redemption of securities	16,323	1,761
Gains on derivative financial instruments	—	2,546
Foreign exchange gains	—	98,853
Other investment income	1,474	2,732
Investment gains on separate accounts	107,044	26,429
Other ordinary income	105,208	83,991
Annuity supplementary contract premiums	5,288	5,239
Proceeds from deferred insurance	57,546	43,053
Reversal of reserves for outstanding claims	2,295	—
Reversal of accrued retirement benefits	13,974	6,424
Other ordinary income	26,102	29,274
Ordinary expenses	2,953,340	2,948,315
Benefits and other payments	1,746,005	1,757,264
Claims paid	558,220	521,345
Annuity payments	439,604	428,761
Benefits payments	296,512	308,317
Surrender benefits	403,822	446,828
Other refunds	46,791	50,934
Reinsurance premiums	1,053	1,077
Provision for policy reserves and other reserves	626,004	634,019
Provision for reserve for outstanding claims	—	11,775
Provision for policy reserves	625,975	622,214
Provision for interest on policyholders' dividend reserves	29	29
Investment expenses	137,046	112,344
Interest expenses	10,484	10,363
Losses on sales of securities	17,087	68,051
Losses on valuation of securities	2,025	9,633
Losses on redemption of securities	5	—
Losses on derivative financial instruments	74,286	—
Foreign exchange losses	10,974	—
Provision for allowance for possible loan losses	318	43
Depreciation of real estate for investments	8,422	8,425
Other investment expenses	13,441	15,827
Operating expenses	330,027	331,030
Other ordinary expenses	114,257	113,655
Payments of benefits left to accumulate at interest	53,441	47,753
Taxes	26,671	27,224
Depreciation	17,951	18,922
Other ordinary expenses	16,192	19,755
Ordinary profit	155,634	145,962
Extraordinary gains	241	2,344
Gains on disposals of fixed assets	241	2,344
Extraordinary losses	98,463	92,147
Losses on disposals of fixed assets	621	2,731
Impairment losses	1,082	432
Provision for reserve for price fluctuation	96,100	88,300
Payments to social responsibility reserve	659	683
Surplus before income taxes	57,412	56,159
Income taxes		
Current	47,680	46,854
Deferred	(45,001)	(49,036)
Total income taxes	2,678	(2,182)
Net surplus	54,733	58,342

③ Breakdown of Ordinary Profit (Core Business Profit)

Millions of Yen

Classification	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Core business profit A	347,641	361,162
Capital gains	85,278	195,867
Gains on money held in trust	—	383
Gains on trading securities	—	—
Gains on sales of securities	79,393	67,019
Gains on derivative financial instruments	—	2,546
Foreign exchange gains	—	98,853
Other capital gains	5,885	27,064
Capital losses	126,676	163,316
Losses on money held in trust	—	—
Losses on trading securities	—	—
Losses on sales of securities	17,087	68,051
Losses on valuation of securities	2,025	9,633
Losses on derivative financial instruments	74,286	—
Foreign exchange losses	10,974	—
Other capital losses	22,301	85,631
Net capital gains / losses B	(41,398)	32,550
Core business profit including net capital gains / losses A+B	306,243	393,713
Nonrecurring gains	—	10
Reinsurance revenue	—	—
Reversal of contingency reserves	—	—
Reversal of specific allowance for possible loan losses	—	10
Other nonrecurring gains	—	—
Nonrecurring losses	150,609	247,760
Reinsurance premiums	—	—
Provision for contingency reserve	91,100	193,700
Provision for specific allowance for possible loan losses	287	—
Provision for allowance for specific overseas debt	—	—
Write-off of loans	—	—
Other nonrecurring losses	59,221	54,060
Nonrecurring gains / losses C	(150,609)	(247,750)
Ordinary profit A+B+C	155,634	145,962

(Reference) Breakdown of other items

		Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Core business profit	Financial impact of fluctuations in the surrender benefits amount concerning market value adjustment	(5,145)	(27,064)
	Financial impact of market exchange rate fluctuations concerning foreign currency-denominated insurance policies	22,301	83,419
	Financial impact of fluctuations in insurance reserve funds concerning index linking	(739)	2,212
	Interest, dividends and other income from gains (losses) on money held in trust	—	(3)
Other capital gains	Financial impact of fluctuations in the surrender benefits amount concerning market value adjustment	5,145	27,064
	Financial impact of fluctuations in the surrender benefits amount concerning market value adjustment	—	—
	Financial impact of fluctuations in insurance reserve funds concerning index linking	739	—
Other capital losses	Financial impact of fluctuations in the surrender benefits amount concerning market value adjustment	—	—
	Financial impact of market exchange rate fluctuations concerning foreign currency-denominated insurance policies	22,301	83,419
	Financial impact of fluctuations in insurance reserve funds concerning index linking	—	2,212
Other nonrecurring losses	Additional provisions of insurance reserve funds for part of the individual annuity contracts after the commencement of annuity payments.	59,221	54,060

04

Financial Section

◆ Status of Dividends to Policyholders

Policyholder Dividends

Our basic policy towards policyholder dividends is to provide stable returns in consideration of factors including the present and future earnings situation and the level of retained surplus, as well as to keep balance between maintaining a sufficient level of retained surplus to withstand downside risk and enhancing policyholder returns. Under the above policy, we have made the following decision on the policyholder dividend rates based on the fiscal 2021 financial results.

Individual life insurance, individual annuities: we increased the dividend rates of long-term policyholder dividends of some living benefit riders, and maintained the same dividend rates for other dividends.

Group insurance: we maintained the same dividend rates.

Group annuities:

New corporate pension plan, employees' pension fund insurance (02), and defined benefit corporate pension plan (02), etc.

The dividend rate was set at 0.18% on policy reserves for the assumed interest rate of 0.75% or 1.25% (with surrender charge upon surrender).

Insured contributory pension plan (02)

The dividend rate was set at 0.12% on policy reserves for the assumed interest rate of 1.25%.

Note: Policy reserves for interest rate-setting rider by new unit account are not included.

Status of Policyholders' Dividends Paid

(Millions of yen, unless otherwise stated)

Policyholders' dividends paid	Fiscal 2020		Fiscal 2021	
	Amount	Year-on-year changes (%)	Amount	Year-on-year changes (%)
	50,810	(7.9)	56,141	10.5

Status of Dividend Payout Ratio

$$\text{Dividend payout ratio} = \frac{\text{Provision for dividend reserves (¥58.3 billion)}}{\text{Provision for dividend reserves + Provision for internal reserves and surplus (¥232.6 billion)*}} = 20\%$$

*Provision for contingency reserves, reserve for price fluctuation, fund for price fluctuation allowance, and reserve for redemption of foundation funds. However, adjustments are made to exclude gains on sales of securities resulting from interest rate risk control and the financial impact of fluctuations in the surrender benefits amount concerning market value adjustment as temporary gains or losses.

◆ Fair Value Information of Securities (Company Total)

1 Fair Value Information of Securities (Company Total)

a. Net valuation gains (losses) on trading securities

Millions of Yen

Classification	As of March 31, 2021		As of March 31, 2022	
	Balance sheet amount	Net valuation gains (losses) included in statement of income	Balance sheet amount	Net valuation gains (losses) included in statement of income
Trading securities	707,708	81,216	646,559	(6,819)

Note: The above table includes money held in trusts for trading.

b. Fair value information of securities (with fair value except for trading securities)

Millions of Yen

Classification	As of March 31, 2021				
	Book value	Fair value	Net gains (losses)	Net gains (losses)	
				Gains	Losses
Held-to-maturity debt securities	1,590,707	1,852,103	261,395	261,404	(8)
Policy-reserve-matching bonds	12,470,906	14,068,089	1,597,183	1,654,525	(57,341)
Investments in subsidiaries and affiliated companies	52,238	46,861	(5,376)	—	(5,376)
Available-for-sale securities	13,963,576	15,804,479	1,840,903	1,986,544	(145,641)
Domestic bonds	2,477,237	2,529,740	52,503	86,818	(34,315)
Domestic stocks	1,115,669	2,338,264	1,222,594	1,252,591	(29,996)
Foreign securities	9,096,111	9,618,085	521,974	601,930	(79,956)
Foreign bonds	7,922,014	8,356,187	434,173	509,392	(75,219)
Other foreign securities	1,174,097	1,261,898	87,801	92,538	(4,737)
Other securities	349,067	387,108	38,040	38,775	(735)
Monetary claims bought	433,890	439,749	5,859	6,427	(567)
Negotiable certificates of deposit	491,600	491,530	(69)	—	(69)
Others	—	—	—	—	—
Total	28,077,428	31,771,534	3,694,106	3,902,473	(208,367)
Domestic bonds	14,378,646	16,015,275	1,636,628	1,710,830	(74,201)
Domestic stocks	1,115,669	2,338,264	1,222,594	1,252,591	(29,996)
Foreign securities	11,308,555	12,099,606	791,051	893,848	(102,797)
Foreign bonds	10,082,219	10,790,846	708,627	801,310	(92,683)
Other foreign securities	1,226,335	1,308,760	82,424	92,538	(10,113)
Other securities	349,067	387,108	38,040	38,775	(735)
Monetary claims bought	433,890	439,749	5,859	6,427	(567)
Negotiable certificates of deposit	491,600	491,530	(69)	—	(69)
Others	—	—	—	—	—

Classification	As of March 31, 2022				
	Book value	Fair value	Net gains (losses)	Net gains (losses)	
				Gains	Losses
Held-to-maturity debt securities	1,569,177	1,812,094	242,917	242,925	(8)
Policy-reserve-matching bonds	12,514,443	13,596,489	1,082,045	1,277,927	(195,882)
Investments in subsidiaries and affiliated companies	52,238	53,679	1,441	1,441	—
Available-for-sale securities	15,177,316	16,387,386	1,210,069	1,599,191	(389,121)
Domestic bonds	2,752,734	2,709,967	(42,767)	44,159	(86,927)
Domestic stocks	1,155,190	2,297,231	1,142,041	1,181,568	(39,527)
Foreign securities	10,149,382	10,231,870	82,488	335,724	(253,236)
Foreign bonds	8,461,174	8,457,396	(3,777)	181,643	(185,421)
Other foreign securities	1,688,207	1,774,473	86,266	154,081	(67,815)
Other securities	411,007	435,347	24,340	32,845	(8,504)
Monetary claims bought	188,102	192,123	4,021	4,891	(870)
Negotiable certificates of deposit	520,900	520,844	(55)	—	(55)
Others	—	—	—	—	—
Total	29,313,176	31,849,649	2,536,473	3,121,486	(585,012)
Domestic bonds	14,563,186	15,651,386	1,088,199	1,323,856	(235,656)
Domestic stocks	1,155,190	2,297,231	1,142,041	1,181,568	(39,527)
Foreign securities	12,474,789	12,752,715	277,925	578,323	(300,398)
Foreign bonds	10,734,343	10,924,561	190,217	422,801	(232,583)
Other foreign securities	1,740,446	1,828,153	87,707	155,522	(67,815)
Other securities	411,007	435,347	24,340	32,845	(8,504)
Monetary claims bought	188,102	192,123	4,021	4,891	(870)
Negotiable certificates of deposit	520,900	520,844	(55)	—	(55)
Others	—	—	—	—	—

(Note) 1. The above table includes items deemed appropriate to be handled as securities under the Financial Instruments and Exchange Act in Japan.
2. The above table does not include stocks with no market prices, etc. and investments in partnership, etc.

●Held-to-maturity debt securities

Millions of Yen

	Type	As of March 31, 2021			As of March 31, 2022		
		Balance sheet amount	Fair value	Difference	Balance sheet amount	Fair value	Difference
Fair value exceeds the balance sheet amount	Bonds	284,558	305,365	20,807	261,940	278,138	16,197
	Foreign securities (bonds)	1,305,600	1,546,196	240,596	1,305,600	1,532,328	226,728
Fair value does not exceed the balance sheet amount	Bonds	549	541	(8)	1,636	1,627	(8)
	Foreign securities (bonds)	—	—	—	—	—	—
Total		1,590,707	1,852,103	261,395	1,569,177	1,812,094	242,917

●Policy-reserve-matching bonds

Millions of Yen

	Type	As of March 31, 2021			As of March 31, 2022		
		Balance sheet amount	Fair value	Difference	Balance sheet amount	Fair value	Difference
Fair value exceeds the balance sheet amount	Bonds	10,346,526	11,949,729	1,603,203	9,121,741	10,385,240	1,263,498
	Foreign securities (bonds)	613,425	664,746	51,321	408,480	422,909	14,429
Fair value does not exceed the balance sheet amount	Bonds	1,269,774	1,229,897	(39,877)	2,425,133	2,276,412	(148,720)
	Foreign securities (bonds)	241,179	223,715	(17,464)	559,088	511,926	(47,161)
Total		12,470,906	14,068,089	1,597,183	12,514,443	13,596,489	1,082,045

●Available-for-sale securities

Millions of Yen

	Type	As of March 31, 2021			As of March 31, 2022		
		Acquisition costs or amortized costs	Balance sheet amount	Difference	Acquisition costs or amortized costs	Balance sheet amount	Difference
Balance sheet amount exceeds acquisition costs or amortized costs	Negotiable certificates of deposit	—	—	—	—	—	—
	Monetary claims bought	131,002	137,430	6,427	122,748	127,640	4,891
	Domestic bonds	1,648,506	1,735,325	86,818	843,584	887,744	44,159
	Domestic stocks	951,390	2,203,981	1,252,591	902,583	2,084,152	1,181,568
	Foreign securities	7,580,013	8,181,944	601,930	4,487,576	4,823,301	335,724
	Foreign bonds	6,733,057	7,242,449	509,392	3,765,847	3,947,491	181,643
	Other foreign securities	846,956	939,495	92,538	721,728	875,810	154,081
	Other securities	329,067	367,843	38,775	192,719	225,564	32,845
Balance sheet amount does not exceed acquisition costs or amortized costs	Negotiable certificates of deposit	491,600	491,530	(69)	520,900	520,844	(55)
	Monetary claims bought	302,887	302,319	(567)	65,354	64,483	(870)
	Domestic bonds	828,731	794,415	(34,315)	1,909,150	1,822,223	(86,927)
	Domestic stocks	164,279	134,282	(29,996)	252,606	213,078	(39,527)
	Foreign securities	1,516,097	1,436,141	(79,956)	5,661,806	5,408,569	(253,236)
	Foreign bonds	1,188,957	1,113,738	(75,219)	4,695,327	4,509,905	(185,421)
	Other foreign securities	327,140	322,403	(4,737)	966,478	898,663	(67,815)
	Other securities	20,000	19,265	(735)	218,287	209,782	(8,504)
Total		13,963,576	15,804,479	1,840,903	15,177,316	16,387,386	1,210,069

Book value of stocks with no market prices, etc. and investments in partnership, etc. are as follows:

Millions of Yen

Classification	As of March 31, 2021	As of March 31, 2022
Investments in subsidiaries and affiliated companies	697,616	743,750
Available-for-sale securities	62,198	134,191
Domestic stocks	20,368	19,990
Foreign stocks	34,558	34,558
Others	7,271	79,642
Total	759,814	877,942

2 Fair Value Information of Money Held in Trust (Company Total)

Millions of Yen

Classification	As of March 31, 2021					As of March 31, 2022				
	Balance sheet amount	Fair value	Net gains (losses)		Balance sheet amount	Fair value	Net gains (losses)			
			Gains	Losses			Gains	Losses		
Money held in trust	—	—	—	—	4,914	4,914	—	—	—	

Note: The fair values, which are deemed as market prices, are based on the values estimated reasonably by the financial institutions from which these securities were purchased.

a. Money held in trusts for trading

Millions of Yen

Classification	As of March 31, 2021		As of March 31, 2022	
	Balance sheet amount	Net valuation gains (losses) included in statement of income	Balance sheet amount	Net valuation gains (losses) included in statement of income
Money held in trusts for trading	—	—	4,914	383

b. Money held in trusts except for trading

Omitted as there are no ending balances for March 31, 2021 and 2022.

3 Fair Value Information of Derivative Transactions (Company Total)

a. Qualitative information

● Transactions details

The Company utilizes derivative instruments shown below according to its asset management policy and specific nature of individual funds it manages.

	Exchange-traded transactions	Over-the-counter transactions
Interest-rate derivative instruments	—	Interest rate swaps, interest rate swaptions
Foreign currency derivative instruments	—	Foreign currency forward contracts, currency swaps, currency options
Stock derivative instruments	Stock index futures, stock index options	Individual stock options, stock index options, stock index forwards
Bond derivative instruments	Bond futures, bond futures options	Cash bond options
Others	—	Multi-asset index options

● Policy

The Company utilizes derivative instruments primarily in order to hedge the risks of fluctuation of values of assets or liabilities held by the Company. It makes a rule not to enter into derivatives transactions that are not consistent with the specific nature of funds it manages (for example, trading of highly-leveraged financial instruments whose fair values widely fluctuate in comparison with those of their underlying assets).

● Purpose

The Company engages in hedge transactions in order to mitigate the foreign currency risk associated with assets denominated in foreign currencies. It also conducts derivative transactions with the view of containing the risk associated with the aforementioned assets within predefined limits. The Company applies hedge accounting to derivative transactions that satisfy the requirements for hedge accounting.

● Risk details

The derivative transactions the Company conducts involve, as in the case with cash assets, market risk and credit risk.

① Market risk

This risk is associated with a fluctuation in the value of portfolios or positions held by the Company primarily caused by the fluctuation in the market for interest rates, stock prices, currency exchange rates as well as a change in cash flows.

② Credit risk

This risk is associated with a fluctuation in the value of portfolios or positions held by the Company due to changes in borrowers' credit standings. (This risk also encompasses a risk that the Company will be unable to gain the expected economic effects from its positions due to the default by counterparties of derivative transactions.)

● Risk management system

① Basic policy on risk management

The Company's basic risk management policy is designed to prevent risks from materializing by ensuring the effective deployment of derivative transactions with respect to the Company's assets and liabilities, as well as periodically monitoring whether relevant departments are in compliance with investment project-specific asset management policies, management rules and reporting systems.

② Risk management department

The Company has an investment risk management department, independent of profit-earning departments, which controls and monitors the risk status concerning derivative transactions along with their underlying assets, such as stocks and bonds.

③ Risk management rules

"Investment Risk management Policy" and "Regulations for Investment Risk Management" prescribe, among others, the purpose of utilizing derivative transactions, underlying hedged items and the risk management system. In addition, each department including the asset management department is governed by individual detailed risk management rules to conform to their roles.

④ Risk management

Where derivatives are designated as part of a hedge transaction, the Company intends to understand, analyze and control the integrated quantitative risks involved in these hedging instruments and their hedged items as underlying assets.

When the Company enters into derivative transactions that are not for hedging, it sets the maximum trading value and acceptable risk levels as well as loss-cut rules, with the aim of managing positions, risk status and gains or losses related to these transactions

● Supplementary explanation of quantitative information

① Credit risk status associated with derivative transactions

Where contracts with counterparties provide the rights to set off claims and obligations in the event of default by them, the Company computes the amount of credit risk associated with these derivative contracts using the net-amount based current exposure method, taking account of the credit lines extended to the relevant counterparties.

② Supplementary explanation of transaction gains and losses

The Company enters into hedge contracts after it has clarified the reciprocal interdependence between hedging instruments and hedged items. Therefore, gains and losses arising from derivative transactions (deployed as a means of hedging) should be recognized in combination with gains and losses arising from underlying assets and liabilities, rather than recognizing gains and losses from derivative transactions alone. It thus manages and controls hedging instruments and underlying hedged items as single units, with an eye to evaluating the hedging effects of mitigating the risks associated with fluctuations of foreign exchange rates, interest rates, etc.

Status of credit risk associated with derivative transactions

Hundred Millions of Yen

	Contract value / Notional amount		Estimated amount of credit risk	
	As of March 31, 2021	As of March 31, 2022	As of March 31, 2021	As of March 31, 2022
Interest rate swaps				
Interest rate swaptions (Bought)	981	1,028	73	122
Foreign currency forward contracts	147,327	127,509	3,443	4,118
Currency swaps				
Currency options (Bought)	6,125	6,684	693	891
Stock options (Bought)				
Stock index forwards	1,499	660	89	39
Multi-asset index options (Bought)	1,278	1,439	162	162
Total			1,337	1,497

(Notes) 1. The contract value and notional amount are employed as the basis for calculation, in order to determine the amount of transaction and should not be construed as an indicator of the amount of risk.

2. The estimated amount of credit risk associated with each category of derivative transactions was calculated using the gross amount-based current exposure method without taking account of the credit lines of counterparties extended to the Company, therefore, the aggregate sum of these amounts does not match the total in the table, which was calculated based on the net amount-based current exposure method.

b. Quantitative information

● Breakdown of net gains (losses) (with and without hedge accounting applied)

Millions of Yen

Classification	As of March 31, 2021						As of March 31, 2022					
	Interest-related	Currency-related	Stock-related	Bond-related	Others	Total	Interest-related	Currency-related	Stock-related	Bond-related	Others	Total
Hedge accounting applied	6,094	(343,195)	—	—	—	(337,100)	5,768	(555,980)	—	—	—	(550,211)
Hedge accounting not applied	—	(115,631)	(29,654)	51	687	(144,547)	(568)	(75,805)	(7,310)	(1,133)	(762)	(85,580)
Total	6,094	(458,827)	(29,654)	51	687	(481,648)	5,200	(631,785)	(7,310)	(1,133)	(762)	(635,792)

(Note) Net gains (losses) from applying the fair value hedge included in gains and losses on hedge accounting applied, and net gains (losses) included in gain and loss of hedge accounting not applied are recorded on the statements of income.

Net gains (losses) from applying the fair value hedge were net losses of ¥374,068 million and net losses of ¥585,471 million in currency-related as of March 31, 2021 and 2022, respectively.

● Interest-related

(Hedge accounting not applied)

Millions of Yen

Classification	Type	As of March 31, 2021			As of March 31, 2022		
		Notional amount/ contract value	Fair value	Net gains (losses)	Notional amount/ contract value	Fair value	Net gains (losses)
		Over 1 year			Over 1 year		
Over-the-counter transactions	Interest rate swaps Receipts fixed, payments floating	—	—	—	47,500	47,500	(568)
Total							(568)

Note: Net gains (losses) represent the fair values.

(Hedge accounting applied)

Millions of Yen

Hedge accounting model	Type	Main hedged items	As of March 31, 2021		As of March 31, 2022	
			Notional amount/ contract value	Fair value	Notional amount/ contract value	Fair value
			Over 1 year		Over 1 year	
Deferred hedge method	Interest rate swaps Receipts fixed, payments floating	Loans	15,500	11,500	12	(14)
	Interest rate swaps Receipts fixed, payments floating	Insurance liabilities	—	—	77,500	(5,038)
Exceptional method	Interest rate swaps Receipts fixed, payments floating	Loans	145	80	1	0
	Receipts floating, payments fixed		83,032	83,032	6,081	10,820
Total					6,094	5,768

● Currency-related

(Hedge accounting not applied)

Millions of Yen

Classification	Type	As of March 31, 2021			As of March 31, 2022		
		Notional amount/ contract value	Fair value	Net gains (losses)	Notional amount/ contract value	Fair value	Net gains (losses)
		Over 1 year			Over 1 year		
Over-the-counter transactions	Foreign currency forward contracts						
	Sold						
	(U.S. dollar)	3,235,486	—	(214,996)	2,215,532	(221,515)	
	(Euro)	1,500,512	—	(58,407)	983,269	(118,453)	
	(Australian dollar)	1,149,871	—	(72,428)	582,889	(29,456)	
		278,675	—	(67,010)	513,509	(60,675)	
	Bought						
	(Euro)	3,542,436	—	100,313	2,640,665	147,989	
	(U.S. dollar)	1,540,936	—	44,898	1,034,799	60,119	
	(Australian dollar)	1,418,949	—	47,159	989,700	47,798	
		272,639	—	5,311	485,776	37,184	
	Currency options						
	Sold						
	Call	172,500	—	—	120,000	—	
	(U.S. dollar)	[726]	172	553	[313]	2,169	
		172,500	—	172	120,000	—	
	[726]	—	553	[313]	2,169		
Put	135,000	—	—	—	—		
(U.S. dollar)	[681]	—	681	[—]	—		
	135,000	—	—	—	—		
	[681]	—	681	[—]	—		
Bought							
Put	150,000	—	—	100,000	—		
(U.S. dollar)	[2,186]	2	(2,184)	[422]	(422)		
	150,000	—	2	100,000	—		
	[2,186]	—	(2,184)	[422]	(422)		
Total				(115,631)		(75,805)	

(Notes) 1. Option fees are shown in [].

2. Net gains (losses) represent the fair values for foreign currency forward contracts and the differences between the option fees and the fair values for option transactions.

(Hedge accounting applied)

Millions of Yen

Hedge accounting model	Type	Main hedged items	As of March 31, 2021			As of March 31, 2022		
			Notional amount/ contract value		Fair value	Notional amount/ contract value		Fair value
			Over 1 year			Over 1 year		
Fair value hedge method	Foreign currency forward contracts Sold (U.S. dollar) (Euro) (Australian dollar)	Assets denominated in foreign currencies	7,954,817	2,386,505	(374,068)	7,894,713	3,363,811	(585,471)
			3,670,328	1,116,818	(161,117)	3,829,723	1,656,305	(318,481)
			2,412,569	906,783	(84,208)	2,546,059	1,265,539	(126,821)
			1,234,976	248,123	(109,166)	1,159,427	441,967	(114,262)
Deferred hedge method	Currency swaps (U.S. dollar) (Euro)	Assets denominated in foreign currencies	37,806	37,806	(3,900)	37,806	37,806	(5,352)
			35,351	35,351	(3,685)	35,351	35,351	(5,057)
			2,454	2,454	(215)	2,454	2,454	(294)
Allocation method	Currency swaps (U.S. dollar)	Assets denominated in foreign currencies	179,829	173,945	4,776	185,118	185,118	(15,141)
			179,829	173,945	4,776	185,118	185,118	(15,141)
	Currency swaps (U.S. dollar)	Liabilities denominated in foreign currencies	244,924	244,924	29,996	345,510	345,510	49,984
			244,924	244,924	29,996	345,510	345,510	49,984
Total				(343,195)			(555,980)	

●Stock-related

(Hedge accounting not applied)

Millions of Yen

Classification	Type	As of March 31, 2021			As of March 31, 2022			
		Notional amount/ contract value		Fair value	Net gains (losses)	Notional amount/ contract value		Net gains (losses)
		Over 1 year				Over 1 year		
Exchange-traded transactions	Stock index futures							
	Sold	2,344	—	(58)	(58)	83,809	—	(6,326)
	Bought	30,720	—	440	440	5,044	—	408
Over-the-counter transactions	Stock index options							
	Sold							
	Call	148,470	—	28,555	(26,881)	—	—	—
	Put	[1,674]	—	—	—	[—]	—	—
	Bought	122,715	—	—	2,326	—	—	—
	Put	[2,326]	—	—	—	[—]	—	—
	Bought	149,985	—	—	(5,481)	66,000	—	—
	Put	[5,481]	—	—	(5,481)	[1,392]	—	0
Total					(29,654)			0
								(7,310)

(Notes) 1. Option fees are shown in [].

2. Net gains (losses) represent the fair values for futures trading, and the differences between the option fees and the fair values for option transactions.

(Hedge accounting applied)

Omitted as there are no ending balances for March 31, 2021 and 2022.

●Bond-related (Company Total)

(Hedge accounting not applied)

Millions of Yen

Classification	Type	As of March 31, 2021			As of March 31, 2022			
		Notional amount/ contract value		Fair value	Net gains (losses)	Notional amount/ contract value		Net gains (losses)
		Over 1 year				Over 1 year		
Exchange-traded transactions	Bond futures							
	Sold	20,393	—	99	99	—	—	
	Bought	33,536	—	(47)	(47)	66,423	—	
						(1,133)	(1,133)	
Total					51		(1,133)	

(Note) Net gains (losses) represent the fair values.

(Hedge accounting applied)

Omitted as there are no ending balances for March 31, 2021 and 2022.

●Others (Company Total)

(Hedge accounting not applied)

Millions of Yen

Classification	Type	As of March 31, 2021			As of March 31, 2022			
		Notional amount/ contract value		Fair value	Net gains (losses)	Notional amount/ contract value		Net gains (losses)
		Over 1 year				Over 1 year		
Over-the-counter transactions	Multi-asset index options							
	Sold							
	Call	134,140	—	549	(103)	136,100	187	
	Bought	[445]	—	—	—	[414]	—	
	Call	127,843	—	3,421	790	143,926	1,892	
		[2,630]	—	—	—	[2,882]	—	
Total					687		(762)	

(Notes) 1. Option fees are shown in [].

2. Net gains (losses) represent the differences between the option fees and the fair values.

(Hedge accounting applied)

Omitted as there are no ending balances for March 31, 2021 and 2022.

◆ Assets

1 Portfolio Trends (General Account)

a. Asset structure

Millions of Yen, %

Classification	As of March 31, 2021		As of March 31, 2022	
	Amount	Share	Amount	Share
Cash, deposits and call loans	1,300,346	3.8	1,044,510	2.9
Monetary claims bought	565,143	1.6	310,140	0.9
Money held in trust	—	—	4,914	0.0
Investment in securities	29,756,172	86.0	30,720,996	86.1
Domestic bonds	14,431,149	41.7	14,520,419	40.7
Domestic stocks	2,480,707	7.2	2,459,308	6.9
Foreign securities	12,391,645	35.8	13,218,894	37.1
Foreign bonds	10,516,392	30.4	10,730,565	30.1
Other foreign securities	1,875,252	5.4	2,488,328	7.0
Other securities	452,669	1.3	522,373	1.5
Loans	1,945,518	5.6	2,192,253	6.1
Policy loans	258,549	0.7	244,196	0.7
Industrial and consumer loans	1,686,968	4.9	1,948,057	5.5
Real estate	557,409	1.6	556,472	1.6
Investment property	394,204	1.1	392,177	1.1
Deferred tax assets	68,356	0.2	288,586	0.8
Other assets	403,110	1.2	560,974	1.6
Allowance for possible loan losses	(890)	(0.0)	(925)	(0.0)
Total	34,595,165	100.0	35,677,924	100.0
Foreign currency denominated assets	11,799,295	34.1	12,660,503	35.5

(Note) The total amount of land, buildings and construction in progress has been recorded as "Real estate."

b. Increase (decrease) in assets

Millions of Yen

Classification	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
	Amount	Amount
Cash, deposits and call loans	(451,479)	(255,835)
Monetary claims bought	238,903	(255,002)
Money held in trust	—	4,914
Investment in securities	2,965,300	964,823
Domestic bonds	622,079	89,269
Domestic stocks	761,886	(21,398)
Foreign securities	1,432,127	827,248
Foreign bonds	904,805	214,173
Other foreign securities	527,322	613,075
Other securities	149,207	69,704
Loans	(154,066)	246,735
Policy loans	(22,562)	(14,353)
Industrial and consumer loans	(131,503)	261,088
Real estate	(1,142)	(936)
Investment property	4,332	(2,027)
Deferred tax assets	(145,781)	220,230
Other assets	(89,994)	157,864
Allowance for possible loan losses	(73)	(35)
Total	2,361,665	1,082,758
Foreign currency denominated assets	1,345,612	861,208

(Note) The total amount of land, buildings and construction in progress has been recorded as "Real estate."

2 Investment Yield by Asset (General Account)

%

Classification	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Cash, deposits and call loans	0.15	2.53
Monetary claims bought	0.55	0.50
Money held in trust	—	6.18
Investment in securities	1.95	2.44
Domestic bonds	1.83	1.55
Domestic stocks	2.13	4.83
Foreign securities	2.03	3.21
Foreign bonds	2.16	3.39
Other foreign securities	1.25	2.35
Loans	1.51	1.61
Industrial and consumer loans	1.17	1.31
Real estate	2.93	2.77
Investment property	4.19	3.93
Total	1.77	2.16
Overseas investments	2.00	3.17

(Notes) 1. Investment yield is calculated by dividing investment income less investment expenses by the daily average book value balance.

2. In the calculation of yield, gains or losses on derivatives are included in investment income or expenses.

3. Overseas investments represent the sum of assets denominated in foreign currencies and Japanese yen.

③ Average Balance of Primary Assets (General Account)

Millions of Yen

Classification	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Cash, deposits and call loans	1,280,306	1,076,992
Monetary claims bought	532,114	539,787
Money held in trust	—	1,811
Investment in securities	26,796,340	28,147,424
Domestic bonds	13,997,294	14,475,545
Domestic stocks	1,203,033	1,282,492
Foreign securities	11,235,946	11,953,657
Foreign bonds	9,657,291	9,950,171
Other foreign securities	1,578,655	2,003,486
Loans	1,961,798	2,149,163
Industrial and consumer loans	1,685,941	1,894,850
Real estate	561,648	562,799
Investment property	393,064	397,659
Total	32,368,323	33,781,628
Overseas investments	12,719,954	13,321,448

④ Proprietary Trading Securities (General Account)

Proprietary trading securities are not handled.

⑤ Trading Volume of Proprietary Trading Securities (General Account)

Proprietary trading securities are not handled.

⑥ Securities (General Account)

Millions of Yen, %

Classification	As of March 31, 2021		As of March 31, 2022	
	Amount	Share	Amount	Share
National government bonds	10,556,925	35.5	10,791,013	35.1
Local government bonds	215,856	0.7	180,166	0.6
Corporate bonds	3,658,367	12.3	3,549,240	11.6
Public entity bonds	2,258,230	7.6	2,202,542	7.2
Foreign-currency-denominated bonds	604,165	2.0	640,774	2.1
Domestic stocks	2,480,707	8.3	2,459,308	8.0
Foreign securities	12,391,645	41.6	13,218,894	43.0
Foreign bonds	10,516,392	35.3	10,730,565	34.9
Foreign-currency-denominated bonds	8,930,876	30.0	9,130,405	29.7
Other foreign securities	1,875,252	6.3	2,488,328	8.1
Foreign-currency-denominated other securities	1,735,632	5.8	2,354,182	7.7
Other securities	452,669	1.5	522,373	1.7
Total	29,756,172	100.0	30,720,996	100.0
Foreign-currency-denominated securities	11,270,674	37.9	12,125,362	39.5

7 Securities by Maturity Date (General Account)

(As of March 31, 2021)

Millions of Yen

Classification	Within 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years to 7 years	Over 7 years to 10 years	Over 10 years	No fixed maturity	Total
Investment in securities	339,506	905,904	2,025,560	2,921,025	5,435,370	13,070,788	5,058,017	29,756,172
National government bonds	146,668	208,386	258,840	833,420	2,782,220	6,327,388	—	10,556,925
Local government bonds	—	2,850	5,957	—	12,230	194,817	—	215,856
Corporate bonds	35,949	213,383	301,174	446,563	256,994	2,041,685	362,617	3,658,367
Domestic stocks							2,480,707	2,480,707
Foreign securities	156,880	481,283	1,458,669	1,640,128	2,376,328	4,506,897	1,771,458	12,391,645
Foreign bonds	156,880	477,962	1,455,764	1,635,068	2,355,845	4,434,871	—	10,516,392
Other foreign securities	0	3,321	2,904	5,059	20,482	72,025	1,771,458	1,875,252
Other securities	8	—	917	913	7,596	—	443,233	452,669
Monetary claims bought	280,366	—	—	—	—	159,383	—	439,749
Negotiable certificates of deposit	491,530	—	—	—	—	—	—	491,530
Others	—	—	—	—	—	—	—	—
Total	1,111,402	905,904	2,025,560	2,921,025	5,435,370	13,230,172	5,058,017	30,687,452

(As of March 31, 2022)

Millions of Yen

Classification	Within 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years to 7 years	Over 7 years to 10 years	Over 10 years	No fixed maturity	Total
Investment in securities	528,588	1,245,795	2,476,127	3,205,916	5,304,216	12,426,135	5,534,217	30,720,996
National government bonds	187,439	124,370	550,649	854,777	3,064,058	6,009,716	—	10,791,013
Local government bonds	—	8,797	—	—	15,828	155,540	—	180,166
Corporate bonds	86,579	243,944	441,389	249,723	243,378	1,935,100	349,124	3,549,240
Domestic stocks							2,459,308	2,459,308
Foreign securities	254,568	868,682	1,483,122	2,099,988	1,967,627	4,325,776	2,219,128	13,218,894
Foreign bonds	254,568	868,682	1,473,824	2,091,203	1,830,429	4,211,856	—	10,730,565
Other foreign securities	0	—	9,297	8,784	137,197	113,919	2,219,128	2,488,328
Other securities	—	—	966	1,427	13,324	—	506,655	522,373
Monetary claims bought	34,493	—	—	—	—	157,630	—	192,123
Negotiable certificates of deposit	520,844	—	—	—	—	—	—	520,844
Others	—	—	—	—	—	—	4,914	4,914
Total	1,083,926	1,245,795	2,476,127	3,205,916	5,304,216	12,583,765	5,539,131	31,438,879

(Note) The above table includes items deemed appropriate to be handled as securities under the Financial Instruments and Exchange Act in Japan.

8 Local Government Bonds by Region (General Account)

Millions of Yen

Classification	As of March 31, 2021	As of March 31, 2022
Hokkaido	2,196	133
Tohoku	—	—
Kanto	89,906	81,897
Chubu	38,013	39,602
Kinki	44,659	35,319
Chugoku	7,998	3,368
Shikoku	—	—
Kyushu	33,083	19,845
Total	215,856	180,166

9 Bonds Yields (General Account)

%

Classification	As of March 31, 2021	As of March 31, 2022
Domestic bonds	1.57	1.55
Foreign bonds	2.77	2.72

10 Domestic Stocks by Industry (General Account)

Millions of Yen, %

Classification		As of March 31, 2021		As of March 31, 2022	
		Amount	Share	Amount	Share
Fishery, agriculture and forestry		317	0.0	314	0.0
Mining		57	0.0	103	0.0
Construction		74,157	3.0	70,545	2.9
Manufacturing	Food	84,194	3.4	76,065	3.1
	Textiles and apparel	10,284	0.4	9,698	0.4
	Pulp and paper	8,219	0.3	6,733	0.3
	Chemicals	295,701	11.9	250,844	10.2
	Pharmaceuticals	204,644	8.2	218,627	8.9
	Oil and coal products	5,719	0.2	6,084	0.2
	Rubber products	11,259	0.5	9,834	0.4
	Glass and ceramic products	33,611	1.4	26,440	1.1
	Iron and steel	18,429	0.7	21,569	0.9
	Nonferrous metals	47,472	1.9	50,212	2.0
	Metal products	10,144	0.4	8,645	0.4
	Machinery	202,071	8.1	183,248	7.5
	Electric appliances	329,168	13.3	309,705	12.6
	Transportation equipment	95,250	3.8	92,789	3.8
	Precision instruments	23,052	0.9	22,015	0.9
Other products	70,191	2.8	65,864	2.7	
Electric power and gas		32,526	1.3	26,148	1.1
Transportation, information and communication	Land transportation	209,617	8.4	182,552	7.4
	Marine transportation	4,138	0.2	11,425	0.5
	Air transportation	3,195	0.1	3,129	0.1
	Warehousing and harbor transportation services	8,793	0.4	10,313	0.4
	Information and communication	73,480	3.0	87,067	3.5
Trade and services	Wholesale trade	171,532	6.9	217,109	8.8
	Retail trade	37,668	1.5	41,744	1.7
Finance and insurance	Banking	160,953	6.5	158,556	6.4
	Securities and trading	5,253	0.2	5,240	0.2
	Insurance	142,538	5.7	173,624	7.1
	Other financial services	19,926	0.8	28,013	1.1
Real estate		29,720	1.2	26,697	1.1
Services		57,415	2.3	58,341	2.4
Total		2,480,707	100.0	2,459,308	100.0

(Note) Classification is based on the "Sector classification table" by the "Securities Identification Code Committee."

11 Fair Value Information of Securities (General Account)

a. Net valuation gains (losses) on trading securities

Millions of Yen

Classification	As of March 31, 2021		As of March 31, 2022	
	Balance sheet amount	Net valuation gains (losses) included in statement of income	Balance sheet amount	Net valuation gains (losses) included in statement of income
Trading securities	—	—	4,914	383

Note: The above table includes money held in trusts for trading.

b. Fair value information of securities (with fair value except for trading securities)

Millions of Yen

Classification	As of March 31, 2021				
	Book value	Fair value	Net gains (losses)	Gains	Losses
Held-to-maturity debt securities	1,590,707	1,852,103	261,395	261,404	(8)
Policy-reserve-matching bonds	12,470,906	14,068,089	1,597,183	1,654,525	(57,341)
Investments in subsidiaries and affiliated companies	52,238	46,861	(5,376)	—	(5,376)
Available-for-sale securities	13,963,576	15,804,479	1,840,903	1,986,544	(145,641)
Domestic bonds	2,477,237	2,529,740	52,503	86,818	(34,315)
Domestic stocks	1,115,669	2,338,264	1,222,594	1,252,591	(29,996)
Foreign securities	9,096,111	9,618,085	521,974	601,930	(79,956)
Foreign bonds	7,922,014	8,356,187	434,173	509,392	(75,219)
Other foreign securities	1,174,097	1,261,898	87,801	92,538	(4,737)
Other securities	349,067	387,108	38,040	38,775	(735)
Monetary claims bought	433,890	439,749	5,859	6,427	(567)
Negotiable certificates of deposit	491,600	491,530	(69)	—	(69)
Others	—	—	—	—	—
Total	28,077,428	31,771,534	3,694,106	3,902,473	(208,367)
Domestic bonds	14,378,646	16,015,275	1,636,628	1,710,830	(74,201)
Domestic stocks	1,115,669	2,338,264	1,222,594	1,252,591	(29,996)
Foreign securities	11,308,555	12,099,606	791,051	893,848	(102,797)
Foreign bonds	10,082,219	10,790,846	708,627	801,310	(92,683)
Other foreign securities	1,226,335	1,308,760	82,424	92,538	(10,113)
Other securities	349,067	387,108	38,040	38,775	(735)
Monetary claims bought	433,890	439,749	5,859	6,427	(567)
Negotiable certificates of deposit	491,600	491,530	(69)	—	(69)
Others	—	—	—	—	—

Millions of Yen

Classification	As of March 31, 2022				
	Book value	Fair value	Net gains (losses)	Gains	Losses
Held-to-maturity debt securities	1,569,177	1,812,094	242,917	242,925	(8)
Policy-reserve-matching bonds	12,514,443	13,596,489	1,082,045	1,277,927	(195,882)
Investments in subsidiaries and affiliated companies	52,238	53,679	1,441	1,441	—
Available-for-sale securities	15,177,316	16,387,386	1,210,069	1,599,191	(389,121)
Domestic bonds	2,752,734	2,709,967	(42,767)	44,159	(86,927)
Domestic stocks	1,155,190	2,297,231	1,142,041	1,181,568	(39,527)
Foreign securities	10,149,382	10,231,870	82,488	335,724	(253,236)
Foreign bonds	8,461,174	8,457,396	(3,777)	181,643	(185,421)
Other foreign securities	1,688,207	1,774,473	86,266	154,081	(67,815)
Other securities	411,007	435,347	24,340	32,845	(8,504)
Monetary claims bought	188,102	192,123	4,021	4,891	(870)
Negotiable certificates of deposit	520,900	520,844	(55)	—	(55)
Others	—	—	—	—	—
Total	29,313,176	31,849,649	2,536,473	3,121,486	(585,012)
Domestic bonds	14,563,186	15,651,386	1,088,199	1,323,856	(235,656)
Domestic stocks	1,155,190	2,297,231	1,142,041	1,181,568	(39,527)
Foreign securities	12,474,789	12,752,715	277,925	578,323	(300,398)
Foreign bonds	10,734,343	10,924,561	190,217	422,801	(232,583)
Other foreign securities	1,740,446	1,828,153	87,707	155,522	(67,815)
Other securities	411,007	435,347	24,340	32,845	(8,504)
Monetary claims bought	188,102	192,123	4,021	4,891	(870)
Negotiable certificates of deposit	520,900	520,844	(55)	—	(55)
Others	—	—	—	—	—

(Note) 1. The above table includes items deemed appropriate to be handled as securities under the Financial Instruments and Exchange Act in Japan.

2. The above table does not include stocks with no market prices, etc. and investments in partnership, etc.

Book value of stocks with no market prices, etc. and investments in partnership, etc. are as follows:

Millions of Yen

Classification	As of March 31, 2021	As of March 31, 2022
Investments in subsidiaries and affiliated companies	697,616	743,750
Available-for-sale securities	62,198	134,191
Domestic stocks	20,368	19,990
Foreign stocks	34,558	34,558
Others	7,271	79,642
Total	759,814	877,942

Policy-reserve-matching bonds

- In order to appropriately manage fluctuations in the fair value of assets and liabilities due to fluctuations in interest rates, the Company has identified the following types of insurance policies (subsections), in accordance with Industry Audit Committee Report No. 21, "Temporary Treatment of Accounting and Auditing Concerning Policy-Reserve-Matching Bonds in the Insurance Industry," issued by the Japanese Institute of Certified Public Accountants, and has designated the holding category of the corresponding yen-denominated bonds as "Policy-reserve-matching bonds"
 - Individual life insurance and individual annuity (certain types of insurance and a certain percentage of cash flows are excluded)
 - Primary policy of 3-year variable accumulation rate insurance, etc. with guaranteed minimum interest rates
 - Defined benefit corporate pension insurance and new corporate pension insurance (only cash flows expected within the next certain period of years are identified)
 - Insured contributory pension insurance (only cash flows expected within the next certain period of years are identified)
 - Defined contribution pension insurance and interest rate-setting rider by new unit account
 - Single premium endowment insurance (certain types of insurance are excluded)
 - Interest rate variable whole life insurance (single premium)
 - Individual life insurance and individual annuity denominated in U.S. dollars
 - Individual life insurance and individual annuity denominated in Australian dollars (certain types of insurance are excluded)
- The Company periodically verifies that the duration (the extent of fair value fluctuations against fluctuations in interest rates) of the policy reserves of each insurance in these subsections coincides with the duration of the corresponding policy-reserve-matching bonds within a certain range.

c. Fair value information of money held in trust for trading (General Account)

Millions of Yen

Classification	As of March 31, 2021					As of March 31, 2022				
	Balance sheet amount	Fair value	Net gains (losses)			Balance sheet amount	Fair value	Net gains (losses)		
				Gains	Losses				Gains	Losses
Money held in trust	—	—	—	—	—	4,914	4,914	—	—	—

Note: The fair values, which are deemed as market prices, are based on the values estimated reasonably by the financial institutions from which these securities were purchased.

(1) Money held in trusts for trading

Millions of Yen

Classification	As of March 31, 2021		As of March 31, 2022	
	Balance sheet amount	Net valuation gains (losses) included in statement of income	Balance sheet amount	Net valuation gains (losses) included in statement of income
Money held in trusts for trading	—	—	4,914	383

(2) Money held in trusts except for trading

Omitted as there are no ending balances for March 31, 2021 and 2022.

(Reference)

The following table shows fair values including values calculated based on certain assumptions for "stocks with no market prices, etc. and investments in partnership, etc." under the accounting standards for financial instruments.

Millions of Yen

Classification	As of March 31, 2021				
	Book value	Fair value	Net gains (losses)	Net gains (losses)	
				Gains	Losses
Held-to-maturity debt securities	1,590,707	1,852,103	261,395	261,404	(8)
Policy-reserve-matching bonds	12,470,906	14,068,089	1,597,183	1,654,525	(57,341)
Investments in subsidiaries and affiliated companies	749,854	692,244	(57,610)	2,156	(59,767)
Available-for-sale securities	14,025,774	15,875,983	1,850,208	1,995,873	(145,664)
Domestic bonds	2,477,237	2,529,740	52,503	86,818	(34,315)
Domestic stocks	1,136,037	2,358,632	1,222,594	1,252,591	(29,996)
Foreign securities	9,130,670	9,661,814	531,144	611,100	(79,956)
Foreign bonds	7,922,014	8,356,187	434,173	509,392	(75,219)
Other foreign securities	1,208,656	1,305,627	96,971	101,708	(4,737)
Other securities	356,338	394,515	38,176	38,934	(758)
Monetary claims bought	433,890	439,749	5,859	6,427	(567)
Negotiable certificates of deposit	491,600	491,530	(69)	—	(69)
Others	—	—	—	—	—
Total	28,837,243	32,488,421	3,651,177	3,913,959	(262,781)
Domestic bonds	14,378,646	16,015,275	1,636,628	1,710,830	(74,201)
Domestic stocks	1,258,113	2,480,707	1,222,594	1,252,591	(29,996)
Foreign securities	11,860,501	12,608,488	747,987	905,175	(157,187)
Foreign bonds	10,082,219	10,790,846	708,627	801,310	(92,683)
Other foreign securities	1,778,281	1,817,642	39,360	103,865	(64,504)
Other securities	414,492	452,669	38,176	38,934	(758)
Monetary claims bought	433,890	439,749	5,859	6,427	(567)
Negotiable certificates of deposit	491,600	491,530	(69)	—	(69)
Others	—	—	—	—	—

Millions of Yen

Classification	As of March 31, 2022				
	Book value	Fair value	Net gains (losses)	Net gains (losses)	
				Gains	Losses
Held-to-maturity debt securities	1,569,177	1,812,094	242,917	242,925	(8)
Policy-reserve-matching bonds	12,514,443	13,596,489	1,082,045	1,277,927	(195,882)
Investments in subsidiaries and affiliated companies	795,988	794,271	(1,717)	9,193	(10,910)
Available-for-sale securities	15,311,508	16,554,354	1,242,846	1,632,154	(389,308)
Domestic bonds	2,752,734	2,709,967	(42,767)	44,159	(86,927)
Domestic stocks	1,175,180	2,317,221	1,142,041	1,181,568	(39,527)
Foreign securities	10,259,276	10,374,242	114,965	368,377	(253,411)
Foreign bonds	8,461,174	8,457,396	(3,777)	181,643	(185,421)
Other foreign securities	1,798,102	1,916,845	118,743	186,733	(67,990)
Other securities	415,314	439,954	24,640	33,156	(8,516)
Monetary claims bought	188,102	192,123	4,021	4,891	(870)
Negotiable certificates of deposit	520,900	520,844	(55)	—	(55)
Others	—	—	—	—	—
Total	30,191,118	32,757,210	2,566,091	3,162,201	(596,109)
Domestic bonds	14,563,186	15,651,386	1,088,199	1,323,856	(235,656)
Domestic stocks	1,317,267	2,459,308	1,142,041	1,181,568	(39,527)
Foreign securities	13,103,929	13,411,172	307,243	618,727	(311,483)
Foreign bonds	10,734,343	10,924,561	190,217	422,801	(232,583)
Other foreign securities	2,369,585	2,486,611	117,026	195,926	(78,900)
Other securities	497,732	522,373	24,640	33,156	(8,516)
Monetary claims bought	188,102	192,123	4,021	4,891	(870)
Negotiable certificates of deposit	520,900	520,844	(55)	—	(55)
Others	—	—	—	—	—

(Notes) 1. The above table includes items deemed appropriate to be handled as securities under the Financial Instruments and Exchange Act in Japan.

2. The difference between the net gains (losses) in the fair value information of securities and the net gains (losses) in this table was ¥(42,928) million and ¥29,618 million as of March 31, 2021 and 2022, respectively.

Net gains (losses) on real estate (Land/leasehold)

Millions of Yen

Classification	As of March 31, 2021	As of March 31, 2022
Net gains (losses) on real estate	167,737	186,055

(Note) The fair value of land is calculated using the appraisal value based on appraisals by qualified real estate appraisers or the publicly announced appraisal value with certain adjustments.

d. Fair value information of derivative transactions (total of hedge accounting applied/not applied) (General Account)

(1) Breakdown of net gains (losses) (with and without hedge accounting applied)

Millions of Yen

Classification	As of March 31, 2021						As of March 31, 2022					
	Interest-related	Currency-related	Stock-related	Bond-related	Others	Total	Interest-related	Currency-related	Stock-related	Bond-related	Others	Total
Hedge accounting applied	6,094	(343,195)	—	—	—	(337,100)	5,768	(555,980)	—	—	—	(550,211)
Hedge accounting not applied	—	(114,345)	(29,942)	99	687	(143,501)	(568)	(73,414)	(6,653)	—	(762)	(81,399)
Total	6,094	(457,540)	(29,942)	99	687	(480,602)	5,200	(629,394)	(6,653)	—	(762)	(631,611)

(Note) Net gains (losses) from applying the fair value hedge included in gains and losses on hedge accounting applied, and net gains (losses) included in gain and loss of hedge accounting not applied are recorded on the statements of income.
Net gains (losses) from applying the fair value hedge were net losses of ¥374,068 million and net losses of ¥585,471 million in currency-related as of March 31, 2021 and 2022, respectively.

(2) Interest-related

Millions of Yen

Classification	Type	As of March 31, 2021				As of March 31, 2022			
		Notional amount/ contract value	Fair value	Net gains (losses)	Notional amount/ contract value	Fair value	Net gains (losses)		
								Over 1 year	Over 1 year
Over-the-counter transactions	Interest rate swaps Receipts fixed, payments floating	15,645	11,580	13	136,580	136,535	(5,619)	(5,619)	
	Receipts floating, payments fixed	83,032	83,032	6,081	91,792	91,792	10,820	10,820	
Total								5,200	

(Notes) 1. Net gains (losses) represent the fair values.

(Reference) Details of interest rate swaps

Millions of Yen, %

Classification	As of March 31, 2022						
	Within 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years to 7 years	Over 7 years to 10 years	Over 10 years	Total
Notional amount (receipts fixed, payments floating)	45	11,035	500	—	—	125,000	136,580
Average fixed rate (receipt)	0.99	1.20	0.16	—	—	0.47	0.53
Average floating rate (payment)	0.63	1.22	0.24	—	—	(0.01)	0.09
Notional amount (payments fixed, receipts floating)	—	—	—	36,717	55,075	—	91,792
Average fixed rate (payment)	—	—	—	1.83	2.39	—	2.17
Average floating rate (receipt)	—	—	—	2.13	1.95	—	2.02

(3) Currency-related

Millions of Yen

Classification	Type	As of March 31, 2021				As of March 31, 2022			
		Notional amount/ contract value	Fair value	Net gains (losses)	Notional amount/ contract value	Fair value	Net gains (losses)		
								Over 1 year	Over 1 year
Over-the-counter transactions	Foreign currency forward contracts								
	Sold	11,132,717	2,386,505	(587,772)	(587,772)	10,036,218	3,363,811	(804,302)	
	(U.S. dollar)	5,143,273	1,116,818	(218,638)	(218,638)	4,771,599	1,656,305	(435,508)	
	(Euro)	3,539,608	906,783	(156,414)	(156,414)	3,105,975	1,265,539	(155,306)	
	(Australian dollar)	1,512,317	248,123	(176,151)	(176,151)	1,672,038	441,967	(174,858)	
	Bought	3,541,238	—	100,307	100,307	2,631,404	—	147,695	
	(Euro)	1,540,883	—	44,898	44,898	1,030,813	—	59,991	
	(U.S. dollar)	1,418,890	—	47,157	47,157	985,226	—	47,675	
	(Australian dollar)	272,639	—	5,311	5,311	485,633	—	37,174	
	Currency options								
	Sold								
	Call	172,500	—	—	—	120,000	—	—	
	(U.S. dollar)	[726]	—	172	553	[313]	—	2,169	
	Put	172,500	—	—	—	120,000	—	—	
	(U.S. dollar)	[726]	—	172	553	[313]	—	2,169	
	Bought								
	Put	135,000	—	—	—	—	—	—	
	(U.S. dollar)	[681]	—	—	681	[—]	—	—	
	Bought	135,000	—	—	—	—	—	—	
	(U.S. dollar)	[681]	—	—	681	[—]	—	—	
Currency swaps									
Put	150,000	—	—	—	100,000	—	—		
(U.S. dollar)	[2,186]	—	2	(2,184)	[422]	—	(422)		
Bought	150,000	—	—	—	100,000	—	—		
(U.S. dollar)	[2,186]	—	2	(2,184)	[422]	—	(422)		
Currency swaps									
(U.S. dollar)	37,806	37,806	(3,900)	(3,900)	37,806	37,806	(5,352)		
(Euro)	35,351	35,351	(3,685)	(3,685)	35,351	35,351	(5,057)		
(Euro)	2,454	2,454	(215)	(215)	2,454	2,454	(294)		
Total								(664,237)	

(Notes) 1. Option fees are shown in [].

2. Regarding assets and liabilities which are denominated in foreign currencies but have fixed settlement in yen under foreign currency forward contracts and currency swaps and are reported in yen amounts in the balance sheets, those foreign currency forward contracts and currency swaps are excluded from the table above. Currency swaps excluded from disclosure as of March 31, 2021 include contract value in U.S. dollar of ¥424,753 million, fair value of ¥34,773 million and net gains of ¥34,773 million; and those as of March 31, 2022 include contract value in U.S. dollar of ¥530,629 million, fair value of ¥34,843 million and net gains of ¥34,843 million.

3. Net gains (losses) represent the fair values for foreign currency forward contracts as well as swap transactions, and the differences between the option fees and the fair values for option transactions.

(4) Stock-related

Millions of Yen

Classification	Type	As of March 31, 2021			As of March 31, 2022		
		Notional amount/ contract value	Fair value	Net gains (losses)	Notional amount/ contract value	Fair value	Net gains (losses)
Exchange-traded transactions	Stock index futures						
	Sold	—	—	—	73,756	—	(5,261)
	Bought	21,868	93	93	—	—	—
Over-the-counter transactions	Stock index options						
	Sold						
	Call	148,470 [1,674]	—	28,555	(26,881)	—	—
	Put	122,715 [2,326]	—	—	2,326	—	—
	Bought						
	Put	149,985 [5,481]	—	—	(5,481)	66,000 [1,392]	0
Total							
				(29,942)			(6,653)

(Notes) 1. Option fees are shown in [].

2. Net gains (losses) represent the fair values for futures trading, and the differences between the option fees and the fair values for option transactions.

(5) Bond-related

Millions of Yen

Classification	Type	As of March 31, 2021			As of March 31, 2022		
		Notional amount/ contract value	Fair value	Net gains (losses)	Notional amount/ contract value	Fair value	Net gains (losses)
Exchange-traded transactions	Bond futures						
	Sold	20,393	—	99	99	—	—
Total							
				99			—

(Note) Net gains (losses) represent the fair values.

(6) Others

Millions of Yen

Classification	Type	As of March 31, 2021			As of March 31, 2022			
		Notional amount/ contract value	Fair value	Net gains (losses)	Notional amount/ contract value	Fair value	Net gains (losses)	
								Over 1 year
Over-the-counter transactions	Multi-asset index options							
	Sold							
	Call	134,140 [445]	—	549	(103)	136,100 [414]	—	187
	Bought							
	Call	127,843 [2,630]	—	3,421	790	143,926 [2,882]	—	1,892
Total								
				687			(762)	

(Notes) 1. Option fees are shown in [].

2. Net gains (losses) represent the differences between the option fees and the fair values.

12 Status of stockholdings

a. Criteria and approach for classifying stock investment

The Company invests in stocks from a medium- to long-term perspective, with the basic idea of obtaining stable returns over the long-term in step with growth in each investee's corporate value.

In addition to this basic idea, we may hold stocks for a strategic purpose, by investing in companies aimed at strengthening relationships through business alliances and collaboration.

These stocks are held as "Stockholdings other than those held solely for pure investment purposes."

b. Stockholdings other than those held solely for pure investment purposes

① Method of verifying the rationality of stockholding and verification results by the Board of Directors, etc. for individual stocks

The Board of Directors, etc. individually assesses the appropriateness of purposes and the benefits of holding each stock to verify the suitability of stockholdings.

If the appropriateness and rationality of shareholding cannot be established as a result of this verification process, the Company will take actions, including the divestment of such stocks.

② Number of stocks and balance sheet amount

Millions of Yen

Classification	Fiscal year ended March 31, 2022	
	Number of stocks	Total balance sheet amount
Unlisted stocks	40	7,983
Listed stocks	2	1,460

c. Breakdown of stockholdings other than those held solely for pure investment purposes (excluding unlisted stocks)

Stock name	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022	Purpose of holding
	Number of shares held (Thousand shares)	Number of shares held (Thousand shares)	
	Balance sheet amount (Millions of Yen)	Balance sheet amount (Millions of Yen)	
Advance Create Co., Ltd.	1,099	989	To maintain and strengthen the Company's alliance with the investee in the insurance sector and to obtain shareholder profits from the enhancement of the investee's corporate value on a long-term and stable basis.
	1,099	940	
IRRC Corporation	468	566	To maintain and strengthen the Company's alliance with the investee in the insurance sector and to obtain shareholder profits from the enhancement of the investee's corporate value on a long-term and stable basis.
	459	519	

d. Stockholdings for pure investment purposes

Millions of Yen

Classification	Fiscal year ended March 31, 2022	
	Number of stocks	Total balance sheet amount
Unlisted stocks	235	8,306
Others	1,134	2,295,770

Millions of Yen

Classification	Year ended March 31, 2022			
	Dividend income	Total gains (losses) from sales	Total valuation gains (losses)	
			Total unrealized gains (losses)	Total impairment losses
Unlisted stocks	445	151	—	(0)
Others	59,910	13,798	1,141,389	(9,633)

13 Loans (General Account)

Millions of Yen

Classification	As of March 31, 2021	As of March 31, 2022
Policy loans	258,549	244,196
Policy holder loans	235,830	222,703
Premium loans	22,718	21,493
Industrial and consumer loans	1,686,968	1,948,057
[Loans to non-residents]	[83,032]	[91,792]
Corporate loans	1,662,649	1,690,979
[Corporate loans - domestic]	[1,579,617]	[1,599,187]
Loans to national, international and government-affiliated organizations	560	228,641
Loans to public entities	21,500	26,500
Housing loans	2,257	1,935
Consumer loans	1	1
Other loans	—	—
Total	1,945,518	2,192,253

14 Industrial and Consumer Loans by Maturity Date (General Account)

(As of March 31, 2021)

Millions of Yen

Classification	Within 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years to 7 years	Over 7 years to 10 years	Over 10 years	No fixed maturity	Total
Floating-rate loans	46,170	163	4,426	47,569	56,739	59,901	10,000	224,971
Fixed-rate loans	105,726	215,948	236,733	213,541	183,347	506,699	—	1,461,997
Total loans	151,896	216,112	241,159	261,111	240,087	566,600	10,000	1,686,968

(As of March 31, 2022)

Millions of Yen

Classification	Within 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years to 7 years	Over 7 years to 10 years	Over 10 years	No fixed maturity	Total
Floating-rate loans	51,089	1,402	8,588	44,667	68,061	61,465	6,000	241,274
Fixed-rate loans	354,287	200,459	240,690	169,380	195,216	546,748	—	1,706,782
Total loans	405,377	201,862	249,279	214,047	263,277	608,213	6,000	1,948,057

15 Loans to Domestic Companies by Company Size (General Account)

Number of borrowers, Millions of Yen, %

Classification		As of March 31, 2021		As of March 31, 2022	
			Share		Share
Large companies	Number of borrowers	174	74.7	172	74.8
	Amount of loans	1,375,865	87.1	1,419,005	88.7
Medium-sized companies	Number of borrowers	—	—	—	—
	Amount of loans	—	—	—	—
Small companies	Number of borrowers	59	25.3	58	25.2
	Amount of loans	203,751	12.9	180,181	11.3
Total loans to domestic companies	Number of borrowers	233	100.0	230	100.0
	Total amount of loans	1,579,617	100.0	1,599,187	100.0

(Notes) 1. Classifications are defined as follows:

Company size	1. All industries (excluding 2. – 4.)	2. Retail and restaurants	3. Services	4. Wholesale
Large companies	More than 300 employees and	More than 50 employees and	More than 100 employees and	More than 100 employees and
Medium-sized companies				
Small companies	Paid-in capital between ¥0.3 billion and ¥1.0 billion	Paid-in capital between ¥0.05 billion and ¥1.0 billion	Paid-in capital between ¥0.05 billion and ¥1.0 billion	Paid-in capital between ¥0.1 billion and ¥1.0 billion
	Paid-in capital under ¥0.3 billion or 300 employees or less	Paid-in capital under ¥0.05 billion or 50 employees or less	Paid-in capital under ¥0.05 billion or 100 employees or less	Paid-in capital under ¥0.1 billion or 100 employees or less

2. Number of borrowers is the number of borrowers identified by name and is not the number of loans.

3. The number of employees and the amount of paid-in capital are based on information available to the Company at the time of preparation of these materials.

4. The services industry comprises the "rental and leasing services," "scientific, professional, and technical services," "lodging," "lifestyle and leisure," "education and training," "medical and welfare," and "other services."

5. Size classifications are based on the classification of size used in the Bank of Japan's "Loans and Bills Discounted and New Loans for Fixed Investment by Sector (by Type of Industry)."

16 Industrial and Consumer Loans by Industry (General Account)

Millions of Yen, %

Classification		As of March 31, 2021		As of March 31, 2022		
		Amount	Share	Amount	Share	
Domestic	Manufacturing	Food	185,760	11.0	175,950	9.0
		Textiles and apparel	12,396	0.7	12,014	0.6
		Wood, wood products	900	0.1	900	0.0
		Pulp and paper	600	0.0	400	0.0
		Printing	13,500	0.8	14,750	0.8
		Chemicals	—	—	—	—
		Oil and coal products	25,843	1.5	24,515	1.3
		Ceramics, soil and stone	27,080	1.6	29,080	1.5
		Iron and steel	8,740	0.5	8,594	0.4
		Nonferrous metals	45,300	2.7	32,300	1.7
		Metal products	1,450	0.1	4,650	0.2
		Metal products	1,106	0.1	1,064	0.1
		General purpose, production, and industrial machinery	12,324	0.7	12,466	0.6
		Electric appliances	20,786	1.2	19,570	1.0
	Transportation equipment	14,673	0.9	14,606	0.7	
	Other manufacturing products	1,060	0.1	1,040	0.1	
	Agriculture and forestry	—	—	—	—	
	Fishery	—	—	—	—	
	Mining, quarrying and gravel mining	—	—	—	—	
	Construction	4,737	0.3	5,361	0.3	
Electric power, gas, heat supply and waterworks	231,814	13.7	236,505	12.1		
Information and communication	21,100	1.3	25,000	1.3		
Logistics and postal services	159,671	9.5	164,714	8.5		
Wholesale trade	372,750	22.1	367,700	18.9		
Retail trade	4,845	0.3	5,581	0.3		
Financing and insurance	332,446	19.7	345,187	17.7		
Real estate	173,590	10.3	180,010	9.2		
Rental and leasing services	105,870	6.3	111,472	5.7		
Scientific, professional, and technical services	—	—	—	—		
Lodging	—	—	—	—		
Restaurants	—	—	—	—		
Lifestyle and leisure	—	—	—	—		
Education and training	—	—	—	—		
Medical and welfare	—	—	—	—		
Other services	9,091	0.5	8,727	0.4		
Local organizations and public entities	—	—	—	—		
Individuals (residential/consumption/local taxes/other)	2,258	0.1	1,936	0.1		
Subtotal	1,603,936	95.1	1,856,264	95.3		
Overseas	Governments and public entities	—	—	—	—	
	Financial institutions	83,032	4.9	91,792	4.7	
	Commerce and industry	—	—	—	—	
Subtotal	83,032	4.9	91,792	4.7		
Total loans	1,686,968	100.0	1,948,057	100.0		

(Notes) 1. Domestic sectors are based on the industry classifications used in the Bank of Japan's "Loans and Bills Discounted and New Loans for Fixed Investment by Sector (by Type of Industry)."

2. "Subtotal of domestic loans" as well as "total loans" include loans to the Japanese government. (nil as of March 31, 2021; ¥228.1 billion as of March 31, 2022)

17 Loans by Use (General Account)

Millions of Yen, %

Classification	As of March 31, 2021		As of March 31, 2022	
	Amount	Share	Amount	Share
Capital investments	184,155	10.9	194,436	10.0
Operations	1,068,555	63.3	1,065,083	54.7

(Note) Share refers to the percentage to industrial and consumer loans.

18 Loans by Region (General Account)

Millions of Yen, %

Classification	As of March 31, 2021		As of March 31, 2022	
	Amount	Share	Amount	Share
Hokkaido	9,892	0.6	9,798	0.5
Tohoku	19,031	1.2	18,521	1.0
Kanto	1,271,239	79.4	1,534,505	82.8
Chubu	97,544	6.1	97,300	5.2
Kinki	146,571	9.2	139,838	7.5
Chugoku	20,287	1.3	15,225	0.8
Shikoku	5,050	0.3	5,550	0.3
Kyushu	32,060	2.0	33,590	1.8
Total	1,601,677	100.0	1,854,328	100.0

(Notes) 1. Does not include personal loans, loans related to non-residents and policy loans, etc.

2. Geographical classifications are based on information on head office locations of the borrowers available to the Company at the time of preparation of these materials.

19 Loans by Collateral (General Account)

Millions of Yen, %

Classification	As of March 31, 2021		As of March 31, 2022	
	Amount	Share	Amount	Share
Secured loans	12,594	0.7	11,889	0.6
Loans secured by securities	50	0.0	—	—
Loans secured by real estate, movables and foundations	12,544	0.7	11,889	0.6
Loans secured by personal guarantees	—	—	—	—
Guarantee loans	15,677	0.9	13,104	0.7
Fiduciary loans	1,656,437	98.2	1,921,126	98.6
Other loans	2,258	0.1	1,936	0.1
Industrial and consumer loans	1,686,968	100.0	1,948,057	100.0
Subordinated loans	133,000	7.9	116,000	6.0

20 Status of Loans under the Insurance Business Act

Millions of Yen, %

Classification	As of March 31, 2021	As of March 31, 2022
Bankrupt and quasi-bankrupt loans	—	—
Doubtful loans	853	755
Loans in arrears for three months or longer	—	—
Restructured loans	1,200	600
Subtotal	2,053	1,355
[Percentage of total]	[0.03]	[0.02]
Normal loans	6,333,204	6,993,043
Total	6,335,257	6,994,398

Notes: 1. Bankrupt or quasi-bankrupt loans represent loans or quasi-loans to borrowers who have fallen into bankruptcy due to reasons such as the filing of a petition for the commencement of bankruptcy proceedings, the commencement of reorganization proceedings or the commencement of rehabilitation proceedings.

2. Doubtful loans represent loans with a strong likelihood that the loan principal cannot be recovered or interest cannot be received according to the contract due to the borrower, although not yet in bankruptcy, experiencing difficulties in financial position and business performance (excluding loans in the above Note 1).

3. Loans in arrears for three months or longer represent loans on which payments of principal or interest are past due over three months from the day following the contractual due date (excluding loans in the above notes 1 and 2).

4. Restructured loans represent loans that have been restructured to provide certain concessions favorable to the borrowers such as by reducing or waiving interest payments, by rescheduling repayments of principal or payments of interest, or by waiving claims for borrowers in order to support or financially rehabilitate such borrowers (excluding loans in the above notes 1 through 3).

5. Normal loans represent loans that do not fall under the classifications in the above notes 1 through 4, and where the borrower has no financial or business performance problems.

(Reference) Status of Allowance for possible loan losses

Millions of Yen

Classification	As of March 31, 2021	As of March 31, 2022
Balance of specific allowance for possible loan losses	261	242
Balance of general allowance for possible loan losses	628	682
Total allowance for possible loan losses	890	925

21 Status of Loans in Trust from Contract for Replacement of Loss

Not applicable.

22 Status of Insurance Claims Paying Ability (Solvency Margin Ratio)

Millions of Yen

Items	As of March 31, 2021	As of March 31, 2022
Solvency margin gross amount (A)	5,275,016	4,994,392
Foundation funds and others	812,468	812,685
Reserve for price fluctuation	883,647	971,947
Contingency reserve	508,200	701,900
General allowance for possible loan losses	628	682
(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)) × 90% (Multiplied by 100% if losses)	1,662,008	1,114,089
Net unrealized gains on real estate × 85% (Multiplied by 100% if losses)	103,049	118,199
Excess of continued Zillmerized reserve	763,990	723,074
Qualifying subordinated debt	569,924	600,510
Excess of continued Zillmerized reserve and qualifying subordinated debt not included in margin calculation	—	—
Deduction clause	(100,000)	(120,000)
Others	71,098	71,303
Total amount of risk $\sqrt{(R_1 + R_8)^2 + (R_2 + R_3 + R_7)^2} + R_4$ (B)	1,255,187	1,234,561
Insurance risk R_1	64,998	63,221
Third-sector insurance risk R_8	65,286	67,325
Risk of assumed yield R_2	181,506	175,378
Minimum guarantee risk R_7^*	3,083	3,045
Investment risk R_3	1,036,637	1,022,434
Operational risk R_4	27,030	26,628
Solvency margin ratio $\frac{(A)}{(1/2) \times (B)} \times 100$	840.5%	809.0%

* The standard method is used for the calculation of the amount equivalent to minimum guarantee risk, in accordance with Appendix 6-2 of Ministry of Finance Public Notice No. 50 of 1996.

(Note) The above table was calculated based on Article 130 of the Insurance Business Act, Article 86 and Article 87 of the Ordinance for Enforcement of the Insurance Business Act and the Ministry of Finance Public Notice No. 50 of 1996.

◆ Solvency margin ratio

The "solvency margin" refers to the "amount of surplus capacity available to make payments" to cover its liabilities when risks that could not normally be anticipated, such as a massive earthquake or a stock market collapse, have materialized.

The solvency margin ratio is a percentage of "solvency margin gross amount" to the portion of "quantified total amount of risk" exceeding the quantified amount of risks that could normally be anticipated; it is one of the indicators to gauge the insurer's ability to cover liabilities when unforeseen events occur.

When this ratio falls below 200%, an insurance company is subject to administrative intervention by the regulatory agencies to take "prompt corrective action."

The solvency margin ratio is one of the financial indicators indicating sound business management, however, it should not be solely relied upon to evaluate the business management soundness of an insurance company. The evaluation of sound business management should be made in a comprehensive manner with due consideration of not only the solvency margin ratio but also other business management information such as asset management performance and trends in business results.

◆ Solvency margin gross amount

Component items of the "solvency margin gross amount" and their statutory grounds are shown below.

Item	Description	Statutory grounds																		
Foundation funds and others	<p>The amount represents the total net assets after deduction of the total valuation and translation adjustments and the amount to be distributed as an appropriation of surplus (including provisions for policyholders' dividend reserves) on the balance sheets. Meanwhile, of the items specified in Article 86 Paragraph 1 Item 1 of the Ordinance for Enforcement of the Insurance Business Act, the amounts presented under the assets section of the balance sheets and deferred assets presented under the assets section of the balance sheets pursuant to the provisions set forth in the first sentence of Article 113 of the Insurance Business Act (hereinafter "the Act") were not applicable.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 15%; text-align: center;">Foundation funds</td> <td style="width: 5%; text-align: center;">=</td> <td style="width: 20%; text-align: center;">Total net assets on the balance sheets</td> <td style="width: 5%; text-align: center;">-</td> <td style="width: 15%; text-align: center;">Total valuation and translation adjustments</td> <td style="width: 5%; text-align: center;">-</td> <td style="width: 15%; text-align: center;">The amount to be distributed as an appropriation of surplus</td> <td style="width: 5%; text-align: center;">-</td> <td style="width: 20%; text-align: center;">Others (Deferred assets, etc.)</td> </tr> </table>	Foundation funds	=	Total net assets on the balance sheets	-	Total valuation and translation adjustments	-	The amount to be distributed as an appropriation of surplus	-	Others (Deferred assets, etc.)	Article 86 Paragraph 1 Item 1 of the Ordinance for Enforcement of the Insurance Business Act (hereinafter "the Ordinance")									
Foundation funds	=	Total net assets on the balance sheets	-	Total valuation and translation adjustments	-	The amount to be distributed as an appropriation of surplus	-	Others (Deferred assets, etc.)												
Reserve for price fluctuation	<p>The amount represents the value of the reserve for price fluctuation presented on the balance sheets. Insurance companies are required to provide for losses arising from the fluctuations in the prices of stocks and other securities held by them under the provisions of Article 115 Paragraph 1 of the Act. Companies are allowed to reverse the reserve when they need to cover the negative difference stemming from losses on sales of stocks and other securities in excess of gains on sales of stocks and other securities or when they obtain permission from the Commissioner of Financial Services Agency.</p>	Article 86 Paragraph 1 Item 2 of the Ordinance																		
Contingency reserves	<p>The amount represents the value of contingency reserves, a component of policy reserves presented on the balance sheets. Pursuant to Article 69 Paragraph 1 Item 3 of the Ordinance, insurance companies are required to make provisions for contingency reserves against potential risks (i.e., insurance risk, third-sector insurance risk, risk of assumed yield and minimum guarantee risk) in order to fulfill future obligations that may arise under insurance policies. When there are mortality losses, interest losses and the outstanding balance of minimum guarantee premiums falling below the amount of the minimum guaranteed insurance benefits, insurance companies are allowed to reverse the reserves to cover these losses. Separately, insurance companies may reverse the reserves for other purposes due to unavoidable circumstances concerning their operations, financial conditions, etc.</p> <p>* For the terminology of insurance risk, third-sector insurance risk, risk of assumed yield and minimum guarantee risk, please refer to "Total amount of risk."</p>	Article 86 Paragraph 1 Item 3 of the Ordinance																		
General allowance for possible loan losses	<p>The amount represents the value of the general allowance for possible loan losses, a component of the allowance for possible loan losses presented on the balance sheets.</p>	Article 86 Paragraph 1 Item 4 of the Ordinance																		
Net unrealized gains (losses) on available-for-sale securities / deferred gains (losses) on hedges (before tax effects)	<p>The amount represents the total amount of the figures below before tax effects multiplied by 0.90 in case it is a positive figure and 1.00 in case it is a negative figure.</p> <p>A. Net unrealized gains (losses) on available-for-sale securities on the balance sheets B. Deferred gains (losses) on hedges on the balance sheets (limited to cases where net gains (losses) associated with hedged items are included in net gains (losses) on available-for-sale securities on the balance sheets)</p>	Article 86 Paragraph 1 Item 5 of the Ordinance																		
Net unrealized gains on real estate	<p>If the difference between the fair value of real estate and its book value is positive, it is multiplied by 85%, if negative, it is multiplied by 100% and the resulting amount is presented. The difference between the fair value and book value of real estate includes the total amount of land revaluation differences presented on the balance sheets and deferred tax liabilities for land revaluation presented on the balance sheets.</p>	Article 86 Paragraph 1 Item 6 of the Ordinance																		
Excess of continued Zillmerized reserve	<p>With regard to the following A, B and C, the components of policy reserves presented on the balance sheets, the amount represents the value of A after deduction of B and C.</p> <p>A. The total amount of insurance reserve funds and unearned insurance premiums B. Either the following (i) or (ii), whichever is greater. (i) The total amount of insurance reserve funds calculated using the method for amortizing expenses at the conclusion of insurance policies over the premium payment period or similar methods, and unearned insurance premiums. (ii) The amount of payments calculated based on the assumption that insurance policies expired without insurable incidents. C. The necessary amount of additional provisions for insurance reserve funds confirmed by the verification of an appointed actuary pursuant to Article 121 Paragraph 1 of the Act and by other verification measures, estimated based on the assumption that no additional provisions for insurance reserve funds subject to Article 69 Paragraph 5 of the Ordinance have been made.</p>	Article 86 Paragraph 1 Item 7 of the Ordinance and Article 1 Paragraph 4 Item 1 of the Ministry of Finance Public Notice No. 50 of 1996 (hereinafter "the Public Notice No. 50")																		
Qualifying subordinated debt	<p>The amount represents the value of qualifying subordinated debt, a component of loans payable presented on the balance sheets, as stated below.</p> <table border="1" style="width: 100%; border-collapse: collapse; text-align: center;"> <thead> <tr> <th colspan="3">Millions of Yen</th> </tr> <tr> <th>Item</th> <th>As of March 31, 2021</th> <th>As of March 31, 2022</th> </tr> </thead> <tbody> <tr> <td>The amount of qualifying subordinated debt ((i)+(ii)+(iii))</td> <td>569,924</td> <td>600,510</td> </tr> <tr> <td>The amount of the instrument as prescribed in Article 1 Paragraph 4 Item 5-a of the Public Notice No. 50 (i.e. perpetual subordinated debt) (i)</td> <td>—</td> <td>—</td> </tr> <tr> <td>The amount of the instrument as prescribed in Article 1 Paragraph 4 Item 5-b of the Public Notice No. 50 (i.e. subordinated debt with maturity dates) (ii)</td> <td>569,924</td> <td>600,510</td> </tr> <tr> <td>The amount of exclusion (iii)</td> <td>—</td> <td>—</td> </tr> </tbody> </table>	Millions of Yen			Item	As of March 31, 2021	As of March 31, 2022	The amount of qualifying subordinated debt ((i)+(ii)+(iii))	569,924	600,510	The amount of the instrument as prescribed in Article 1 Paragraph 4 Item 5-a of the Public Notice No. 50 (i.e. perpetual subordinated debt) (i)	—	—	The amount of the instrument as prescribed in Article 1 Paragraph 4 Item 5-b of the Public Notice No. 50 (i.e. subordinated debt with maturity dates) (ii)	569,924	600,510	The amount of exclusion (iii)	—	—	Article 86 Paragraph 1 Item 7 of the Ordinance and Article 1 Paragraph 4 Item 5 of the Public Notice No. 50
Millions of Yen																				
Item	As of March 31, 2021	As of March 31, 2022																		
The amount of qualifying subordinated debt ((i)+(ii)+(iii))	569,924	600,510																		
The amount of the instrument as prescribed in Article 1 Paragraph 4 Item 5-a of the Public Notice No. 50 (i.e. perpetual subordinated debt) (i)	—	—																		
The amount of the instrument as prescribed in Article 1 Paragraph 4 Item 5-b of the Public Notice No. 50 (i.e. subordinated debt with maturity dates) (ii)	569,924	600,510																		
The amount of exclusion (iii)	—	—																		

Excess of continued Zillmerized reserve and qualifying subordinated debt not included in margin calculation	The amount represents the excess of the value of the total amount of excess of continued Zillmerized reserve and qualifying subordinated debt (excluding specified qualifying subordinated debt as prescribed in Article 1 Paragraph 6 of the Public Notice No. 50) over the amount of core capacity for the payment of insurance claims (the total amount of foundation funds, reserve for price fluctuation, contingency reserve, the unallocated portion of dividend reserves and net unrealized losses on available-for-sale securities after deduction of the amount of deferred tax assets and the balance of unamortized commission associated with reinsurance contracts as stipulated in Article 1 Paragraph 5 of the Public Notice No. 50 to be excluded).	Article 86 Paragraph 1 Item 7 of the Ordinance and Article 1 Paragraph 5 of the Public Notice No. 50
Deduction clause	The amount represents the total amount of the following items. A. The amount represents the value of "intentionally held" capital instruments as specified by the general supervisory guidance for insurance companies among all the capital instruments held by the Company issued by other insurance companies and financial institutions. B. The amount represents the balance of unamortized commission associated with reinsurance contacts as stipulated in Article 1-3 of the Public Notice No.50.	Article 86 Paragraph 1 Item 7 of the Ordinance and Article 1 Paragraph 1-2 and 3 of the Public Notice No. 50
Others	The amount represents the total amount of the following items. A. Exclusion from deferred tax assets. This is an amount equal to the excess of the value of 20% of the base amount for inclusion of deferred tax assets among the total amount of deferred tax assets (excluding the amount related to reserve for price fluctuation, policy reserves and valuation and translation adjustments) as prescribed in Article 1 Paragraph 1 of the Public Notice No. 50. B. Unallocated portion of dividend reserves. The unallocated portion of dividend reserves represents the excess of the value of policyholders' dividend reserves presented on the balance sheets (including policyholders' dividend reserves after deduction of the required amount of dividends for the following year), over the allocated portion as distribution of surplus to policyholders. C. Tax effect amounts. The tax effect amount represents the value of funds that can be sourced mainly from the reversal of voluntary surplus reserves in the expectation that they can be deployed as counter-measures against various risks.	Article 86 Paragraph 1 of the Ordinance and Article 1 Paragraph 1, Paragraph 4 Items 2 and 3, and Paragraph 7 of the Public Notice No. 50

◆Total amount of risk

Component items of the "total amount of risk" and their statutory grounds are shown below.

Item	Description	Statutory grounds
Insurance risk	The amount represents the value of insurance risk. The insurance risk refers to the "risk of actual insurable incidents occurring with higher frequency than normally anticipated" except for the risk associated with third-sector insurance. Insurance risk comprises the risks associated with death due to illness/accident, risks of pure endowment and other risks.	Article 87 Item 1 of the Ordinance
Third-sector insurance risk	The amount represents the value of third-sector insurance risk. The third-sector insurance risk refers to the "risk of actual insurable incidents occurring with higher frequency than normally anticipated" associated with third-sector insurance. The third-sector insurance risk comprises the risks measured by the stress test, risks associated with death due to accident, risks of hospitalization due to accident, risks of hospitalization due to illness and other risks.	Article 87 Item 1-2 of the Ordinance
Risk of assumed yield	The amount represents the value of risk of assumed yield. The risk of assumed yield refers to the "risk of not being able to secure an assumed yield that serves as the basis for calculating policy reserves."	Article 87 Item 2 of the Ordinance
Minimum guarantee risk	The amount represents the value of minimum guarantee risk. The minimum guarantee risk is related to insurance policies with separate accounts that guarantee a minimum amount of claims paid. It is defined as the "risk of which the value of assets held in separate accounts fall short of the minimum guaranteed amount of claims paid of said insurance policies at the time of paying the claims paid" and the "risk which arises from greater fluctuations in the value of assets held in separate accounts than could normally be anticipated."	Article 87 Item 2-2 of the Ordinance
Investment risk	The amount represents the value of investment risk. This investment risk refers to the "risk related to investment activity, which arises from greater fluctuations than normally anticipated in the price of securities and other assets held by the Company." Investment risk comprises the risks associated with price fluctuations, credit, credit spreads, subsidiaries, derivative transactions, reinsurance and reinsurance claim recovery.	Article 87 Item 3 of the Ordinance
Operational risk	The amount represents the value of operational risk. The operational risk refers to the "risk that occurs in business operations, which is greater than risks normally anticipated. This type of risk does not fall under the category of insurance risk, third-sector insurance risk, risk of assumed yield, minimum guarantee risk or investment risk."	Article 87 Item 4 of the Ordinance

23 Internal reserves and surplus*

Billion of Yen

Classification		As of March 31, 2021	As of March 31, 2022
Internal reserves and surplus		2,195.8	2,477.8
Liabilities	Contingency reserves	508.2	701.9
	Reserve for price fluctuation	883.6	971.9
Net assets	Fund for price fluctuation allowance	165.0	165.0
	Reserve for fund redemption	639.0	639.0

* Total of contingency reserves, reserve for price fluctuation, fund for price fluctuation allowance, and reserve for redemption of foundation funds

24 Tangible Fixed Assets

a. Tangible fixed assets

(As of March 31, 2021)

Millions of Yen, %

Classification	Beginning balance	Increase in the fiscal year	Decrease in the fiscal year	Depreciation in the fiscal year	Ending balance	Accumulated depreciation	Accumulated depreciation percentage
Land	360,643	8	694 [494]	—	359,957	—	—
Buildings	177,036	11,498	2,596 [587]	12,198	173,740	402,912	69.8
Lease assets	5,525	246	7	1,376	4,387	3,739	46.0
Construction in progress	20,871	8,339	5,499	—	23,711	—	—
Other tangible fixed assets	5,070	1,091	140	1,555	4,465	20,870	82.3
Total	569,148	21,183	8,939	15,130	566,262	427,522	—

(As of March 31, 2022)

Millions of Yen, %

Classification	Beginning balance	Increase in the fiscal year	Decrease in the fiscal year	Depreciation in the fiscal year	Ending balance	Accumulated depreciation	Accumulated depreciation percentage
Land	359,957	6,880	9,998 [235]	—	356,840	—	—
Buildings	173,740	18,043	2,077 [196]	12,273	177,432	405,083	69.5
Lease assets	4,387	117	5	1,437	3,061	5,176	62.8
Construction in progress	23,711	18,923	20,434	—	22,200	—	—
Other tangible fixed assets	4,465	1,006	45	1,394	4,032	18,536	82.1
Total	566,262	44,971	32,561	15,104	563,567	428,797	—

(Notes) 1. Figures in [] under the "Decrease in the fiscal year" column indicate the amount of decrease due to impairment losses.
2. The balance of investment and rental properties was ¥394,362 million as of March 31, 2022.

b. Amount of real estate and numbers of buildings held for leasing

Millions of Yen

Classification	As of March 31, 2021	As of March 31, 2022
Amount of real estate	557,409	556,472
For business operations	163,204	164,295
For lease	394,204	392,177
Number of buildings held for leasing	87	85

25 Other Assets

(As of March 31, 2021)

Millions of Yen

Type of asset	Acquisition cost	Increase in the fiscal year	Decrease in the fiscal year	Accumulated depreciation	Ending balance
Deferred assets	21,882	202	101	21,119	762
Others	6,590	10,859	27,824	0	6,590
Total	28,473	11,061	27,926	21,119	7,353

(As of March 31, 2022)

Millions of Yen

Type of asset	Acquisition cost	Increase in the fiscal year	Decrease in the fiscal year	Accumulated depreciation	Ending balance
Deferred assets	21,933	112	119	21,178	755
Others	28,812	22,221	0	0	28,812
Total	50,746	22,333	119	21,178	29,568

26 Status of Public Sector Investment and Loans (General Account)

Millions of Yen

Classification		Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Public bonds	National government bonds	—	—
	Local government bonds	—	—
	Public entity bonds	1,065	504
	Subtotal	1,065	504
Loans	Government-affiliated organizations	70,318	466,455
	Local organizations and public entities	7,500	5,000
	Subtotal	77,818	471,455
Total	78,883	471,959	

(Note) Figures in the "Public bonds" and "Loans" columns in the above table indicate the amount of new public-sector investment underwriting and new loans for each fiscal year.

27 Status of Overseas Loans and Investments (General Account)

a. Breakdown by assets composition

● Foreign currency denominated assets

Millions of Yen, %

Classification	As of March 31, 2021		As of March 31, 2022	
	Amount	Share	Amount	Share
Foreign bonds	9,535,042	68.3	9,771,179	65.8
Other foreign securities	1,735,632	12.4	2,354,182	15.8
Cash, deposits and others	528,620	3.8	535,141	3.6
Net foreign currency denominated assets	11,799,295	84.6	12,660,503	85.2

● Foreign currency denominated assets with fixed yen value

Millions of Yen, %

Classification	As of March 31, 2021		As of March 31, 2022	
	Amount	Share	Amount	Share
Loans	179,829	1.3	185,118	1.2
Cash, deposits and others	3,088	0.0	3,132	0.0
Net foreign currency denominated assets with fixed yen value	182,917	1.3	188,251	1.3

● Yen-denominated assets

Millions of Yen, %

Classification	As of March 31, 2021		As of March 31, 2022	
	Amount	Share	Amount	Share
Foreign bonds	1,585,515	11.4	1,600,160	10.8
Other foreign securities	377,670	2.7	388,794	2.6
Others	6,857	0.0	15,817	0.1
Net yen-denominated assets	1,970,044	14.1	2,004,772	13.5

● Total

Millions of Yen, %

Classification	As of March 31, 2021		As of March 31, 2022	
	Amount	Share	Amount	Share
Overseas loans and investments	13,952,257	100.0	14,853,528	100.0

(Note) "Foreign currency denominated assets with fixed yen value" are recorded under assets on the balance sheets at the fixed yen value which was determined at the time of settlement through foreign currency forward contracts, etc.

b. Overseas loans and investments by geographic area

(As of March 31, 2021)

Millions of Yen, %

Classification	Foreign securities		Foreign bonds		Other foreign securities		Loans to non-residents	
	Amount	Share	Amount	Share	Amount	Share	Amount	Share
North America	4,180,165	33.7	3,524,452	33.5	655,712	35.0	83,032	100.0
Europe	3,535,362	28.5	3,508,038	33.4	27,323	1.5	—	—
Oceania	916,038	7.4	916,038	8.7	—	—	—	—
Asia	199,537	1.6	52,702	0.5	146,835	7.8	—	—
Central and South America	3,233,126	26.1	2,187,745	20.8	1,045,380	55.7	—	—
Middle East	—	—	—	—	—	—	—	—
Africa	3,625	0.0	3,625	0.0	—	—	—	—
International organizations	323,788	2.6	323,788	3.1	—	—	—	—
Total	12,391,645	100.0	10,516,392	100.0	1,875,252	100.0	83,032	100.0

(As of March 31, 2022)

Millions of Yen, %

Classification	Foreign securities		Foreign bonds		Other foreign securities		Loans to non-residents	
	Amount	Share	Amount	Share	Amount	Share	Amount	Share
North America	4,594,949	34.8	3,720,505	34.7	874,444	35.1	91,792	100.0
Europe	3,465,522	26.2	3,400,825	31.7	64,697	2.6	—	—
Oceania	973,046	7.4	973,046	9.1	—	—	—	—
Asia	215,271	1.6	60,197	0.6	155,073	6.2	—	—
Central and South America	3,608,286	27.3	2,214,173	20.6	1,394,112	56.0	—	—
Middle East	—	—	—	—	—	—	—	—
Africa	3,565	0.0	3,565	0.0	—	—	—	—
International organizations	358,253	2.7	358,253	3.3	—	—	—	—
Total	13,218,894	100.0	10,730,565	100.0	2,488,328	100.0	91,792	100.0

(Notes) 1. This table has been compiled based on the nationality of the issuers.

2. Foreign securities under Central and South America comprise mostly foreign investment trusts or bonds issued by SPCs (Special Purpose Companies) established in Central and South America, and while they are classified under Central and South America according to the nationality of the issuer, they are, in effect, investments in Japan and the North American/European/Asian/Oceania region.

c. Foreign currency dominated assets by currency

Millions of Yen, %

Classification	As of March 31, 2021		As of March 31, 2022	
	Amount	Share	Amount	Share
U.S. Dollar	6,810,658	57.7	7,573,450	59.8
Euro	2,517,067	21.3	2,566,665	20.3
Australian Dollar	1,631,917	13.8	1,656,420	13.1
New Zealand Dollar	323,623	2.7	385,779	3.0
Canadian Dollar	88,789	0.8	218,115	1.7
Chinese Yuan	95,066	0.8	109,231	0.9
Vietnam Dong	52,250	0.4	52,257	0.4
Singapore Dollar	35,146	0.3	37,004	0.3
Polish Zloty	172,826	1.5	31,532	0.2
Indonesia Rupiah	15,723	0.1	15,722	0.1
Mexican Peso	56,207	0.5	14,298	0.1
Others	19	0.0	24	0.0
Total	11,799,295	100.0	12,660,503	100.0

◆ Liabilities

1 Reserve for Outstanding Claims

Millions of Yen

Classification		As of March 31, 2021	As of March 31, 2022
Claims paid	Mortality insurance claims	55,598	61,465
	Accident insurance claims	1,914	2,594
	Serious disability insurance claims	3,320	3,068
	Maturity insurance amount	1,540	1,190
	Others	803	956
	Subtotal	63,177	69,276
Annuity payments		4,729	4,796
Benefits payments		23,810	29,285
Surrender benefits		6,375	6,484
Payments of benefits left to accumulate at interest		5,439	5,135
Total including other reserves		105,903	117,678

2 Policy Reserves

Millions of Yen

Classification		As of March 31, 2021	As of March 31, 2022
Policy reserves (excluding contingency reserves)	Individual life insurance	14,881,347	15,009,485
	[General account]	[14,819,841]	[14,948,419]
	[Separate account]	[61,505]	[61,066]
	Individual annuities	8,993,315	9,249,123
	[General account]	[8,922,307]	[9,195,656]
	[Separate account]	[71,008]	[53,467]
	Group insurance	15,906	15,979
	[General account]	[15,906]	[15,979]
	[Separate account]	[—]	[—]
	Group annuities	2,666,577	2,716,382
	[General account]	[1,982,431]	[2,015,306]
	[Separate account]	[684,146]	[701,076]
	Others	196,692	191,383
	[General account]	[196,692]	[191,383]
[Separate account]	[—]	[—]	
Subtotal	26,753,840	27,182,355	
[General account]	[25,937,179]	[26,366,744]	
[Separate account]	[816,660]	[815,610]	
Contingency reserves		508,200	701,900
Total		27,262,040	27,884,255
[General account]		[26,445,379]	[27,068,644]
[Separate account]		[816,660]	[815,610]

3 Policy Reserve Balance

(As of March 31, 2021)

Millions of Yen

Classification	Insurance reserve funds	Unearned insurance premiums	Refund reserve	Contingency reserves	Total
Balance	24,992,980	1,760,859	—	508,200	27,262,040

(As of March 31, 2022)

Millions of Yen

Classification	Insurance reserve funds	Unearned insurance premiums	Refund reserve	Contingency reserves	Total
Balance	25,486,039	1,696,315	—	701,900	27,884,255

4 Policy Reserves for Individual Life Insurance and Annuities (by Policy Year)

a. Policy reserve valuation method and valuation ratio

Classification		As of March 31, 2021	As of March 31, 2022
Valuation method	Policies applicable to standard policy reserves	The method specified by the Commissioner of Financial Services Agency (Ministry of Finance Public Notice No. 48 of 1996)	The method specified by the Commissioner of Financial Services Agency (Ministry of Finance Public Notice No. 48 of 1996)
	Policies not applicable to standard policy reserves	Net level premium method	Net level premium method
Valuation ratio (excluding contingency reserves)		100.0%	100.0%

(Notes) 1. Individual life insurance and annuities are applicable to valuation method and ratio. The above figures do not include policy reserves for group insurance and annuities, workers' asset-formation insurance and annuities, medical life insurance, and assumed reinsurance.

2. For valuation ratio, policies applicable to standard policy reserves represent the ratio in accordance with the method prescribed in the Ministry of Finance Public Notice No. 48 of 1996. Policies not applicable to standard policy reserves represent the ratio for the insurance reserve funds calculated by the net level premium method and unearned insurance premiums.

b. Policy reserve balance (by policy year)

Millions of Yen

Policy year	Policy reserve balance	Assumed rate
- 1980	91,483	4.00% ~ 5.00%
1981 - 1985	335,863	5.00% ~ 5.50%
1986 - 1990	1,659,626	5.50%
1991 - 1995	2,924,452	3.75% ~ 5.50%
1996 - 2000	1,270,457	2.00% ~ 2.75%
2001 - 2005	1,174,558	1.50%
2006 - 2010	2,939,222	1.00% ~ 1.50%
2011	920,432	1.00% ~ 1.50%
2012	1,505,891	1.00% ~ 1.50%
2013	997,343	0.50% ~ 1.00%
2014	1,146,142	0.50% ~ 1.00%
2015	1,597,989	0.50% ~ 1.00%
2016	2,230,869	0.25% ~ 1.00%
2017	1,184,883	0.25% ~ 3.75%
2018	1,073,951	0.25% ~ 3.95%
2019	1,021,764	0.25% ~ 3.55%
2020	1,033,264	0.00% ~ 2.55%
2021	1,035,877	0.00% ~ 3.35%

(Notes) 1. Policy reserve balance represents policy reserves for individual life insurance and annuities, excluding policy reserves for separate accounts and contingency reserves.

2. Assumed rate represents the main assumed rate on policy reserves for each policy year.

5 Reasonableness and Validity of Confirmation of Article 121 Paragraph 1 Item 1 of the Act (Limited to That Relating to Third-Sector Insurance)

- Method for assuring the appropriateness of the accumulation of policy reserves in the third sector
In light of risk profiles of the third-sector insurances, the Company classifies third-sector insurance policies into groups according to experience assumptions in principle. It verifies the certainty of performance in the payment of insurance claims and other benefits to these groups in the future based on the assumption that future periods will see higher frequency rates of insurable incidents or other negative situations. The verification is conducted in accordance with laws and regulations and if the Company identifies any insufficiency in provisions for policy reserves, it will take necessary steps, such as provisions for contingency reserves or additional policy reserves.
- Reasonableness and validity of established standards for risk frequency, etc., in the liability adequacy test and stress test
The Company estimates the risk frequency rate based on the claim payment index against anticipated occurrence frequency rate, as well as the trend in the actual results of past insurable incidents frequency rates.
The Company establishes the claim payment indices over the next 10 years for individual contract groups, classified according to experience assumptions in principle, with reference to the trend in the claim payment indices based on the recent results of insurable incidents frequency rates*.
Using the claim payment indices established through the above procedure as a benchmark, the Company computes claim payment indices with a certain level of probability (99% and 97.7%) of covering the risk of fluctuations in the index based on the past results and establishes risk frequency rates which do not fall below the previous year.
*The Company employs the past results that were logged in the period not longer than six months preceding the end of March 2022.
- Test results
The test verifies the possibility of insufficient reserves by subtracting P from A as explained below.
P: Total amount of benefits over the next 10 years, estimated using the anticipated occurrence frequency rate which is used for the calculation of policy reserves.
A: Total amount of benefits over the next 10 years, estimated using the aforementioned risk frequency rate (at a 99% of chance of covering the risk of fluctuation in the frequency rate).

If A exceeds P, the Company judges there are insufficient reserves.

The table below shows the ratio of A to P with regard to major types of insurance (figures represent the total value over the next 10 years, for the first year and 10th year).

● Results of the stress test (at a 99% of chance of covering the risk of fluctuation in the frequency rate)

	Total over the next 10 years		
		1st year	10th year
All groups total	60.6%	53.7%	65.9%
Of which, the general medical riders group	53.1%	48.1%	55.2%
Of which, the specified severe lifestyle disease coverage group	50.0%	44.9%	54.1%
Of which, the lifestyle disability coverage group	69.1%	48.6%	91.5%

As a result of the stress test conducted at the closing of the fiscal year ended March 31, 2022, no group was found to have insufficient reserves.

The balance of insurance reserve funds additionally accumulated and earmarked for part of the third-sector insurances as of March 31, 2022 was ¥8,564 million.

⑥ Policy Reserve Balance of the General Account Calculation Method and Integers Used as the Basis for Calculations Related to Insurance Policies with Separate Accounts that Guarantee a Minimum Amount of Claims Paid

a. Policy reserve balance (General account)

Millions of Yen

	As of March 31, 2021	As of March 31, 2022
Policy reserve balance (General account)	—	—

Notes: 1. Applicable to insurance policies (policies applicable to standard policy reserves) as defined in Article 68 of the Ordinance for Enforcement of the Insurance Business Act.

2. "Policy reserve balance (General account)" includes the insurance reserve fund related to minimum guarantees.

3. An amount of ¥1,295 million was deducted at March 31, 2022 as policy reserves corresponding to the reinsured portion as defined in Article 71, Paragraph 1 of the Ordinance for Enforcement of the Insurance Business Act.

b. Calculation method and integers used as the basis for calculations

	Variable insurance with minimum guarantee	Single-premium individual variable annuities with minimum guarantee (08)	Individual variable annuities (Lump-sum payment)	Individual variable annuities with minimum guarantee (Lump-sum payment) (16)
Calculation method	Alternative method as defined in the Ministry of Finance Public Notice No. 48 of 1996 (Scenario testing method)	Alternative method as defined in the Ministry of Finance Public Notice No. 48 of 1996 (Scenario testing method)	Alternative method as defined in the Ministry of Finance Public Notice No. 48 of 1996 (Factor table method)	Standard method as defined in the Ministry of Finance Public Notice No. 48 of 1996
Integers used as the basis for calculation	Assumed rate of mortality	The rate as defined in the Ministry of Finance Public Notice No. 48 of 1996*	Assumed rate of accidental death Apply (0.000504) only	The rate as defined in the Ministry of Finance Public Notice No. 48 of 1996
	Discount rate		The rate as defined in the Ministry of Finance Public Notice No. 48 of 1996	
	Expected return rate			
	Volatility	The rate as defined in the Ministry of Finance Public Notice No. 48 of 1996. But 0.3% on domestic short-term assets (This rate is defined in the Statement of calculation procedures for insurance premiums and policy reserves).	The rate as defined in the Ministry of Finance Public Notice No. 48 of 1996.	18.4% (This rate is defined in the Statement of calculation procedures for insurance premiums and policy reserves).

* - In accordance with the Statement of calculation procedures for insurance premiums and policy reserves, the Company applied the assumed rate of mortality defined in Paragraph 1 Item 2-a of the said Public Notice to the contracts concluded on April 1, 2007.

- In accordance with the Statement of calculation procedures for insurance premiums and policy reserves, the Company applied the assumed rate of mortality defined in Paragraph 1 Item 2-b of the said Public Notice after adjusting the rate on the basis of age last birthday, to the contracts concluded on or after April 2, 2007.

⑦ Policyholders' dividend reserves

(Fiscal year ended March 31, 2021)

Millions of Yen

Classification	Individual life insurance	Individual annuities	Group insurance	Group annuities	Workers' asset-formation insurance and annuities	Other insurance	Total
Beginning balance	207,451	11,213	2,272	68	467	11	221,485
Transfer from surplus in the previous fiscal year	11,428	1,051	34,131	700	0	139	47,451
Interest accrued during the fiscal year	28	0	0	—	0	0	29
Dividend payments to policyholders during the fiscal year	15,480	851	33,552	727	57	140	50,810
Ending balance	203,425	11,416	2,851	42	409	11	218,156
	[200,191]	[10,052]	[312]	[—]	[406]	[7]	[210,970]

(Fiscal year ended March 31, 2022)

Millions of Yen

Classification	Individual life insurance	Individual annuities	Group insurance	Group annuities	Workers' asset-formation insurance and annuities	Other insurance	Total
Beginning balance	203,425	11,416	2,851	42	409	11	218,156
Transfer from surplus in the previous fiscal year	17,133	1,497	34,060	1,353	0	136	54,181
Interest accrued during the fiscal year	28	0	0	—	0	0	29
Dividend payments to policyholders during the fiscal year	18,136	843	35,615	1,349	54	141	56,141
Ending balance	202,448	12,073	1,296	46	355	6	216,226
	[198,274]	[9,750]	[316]	[—]	[352]	[6]	[208,700]

(Note) The numbers in [] indicate accumulated dividends reserved.

8 Allowance for Possible Loan Losses and Other Reserves

(Fiscal year ended March 31, 2021)

Millions of Yen

Classification		Beginning balance	Ending balance	Increase (decrease) in the fiscal year	Reasons for recording:
Allowance for possible loan losses	General allowance for possible loan losses	597	628	31	Allowance for possible loan losses is recorded to cover bad-debt loss.
	Specific allowance for possible loan losses	219	261	42	
	Allowance for specific overseas debt	—	—	—	
Accrued retirement benefits		10,730	—	(10,730)	Accrued retirement benefits are recorded based on "Accounting Standard for Retirement Benefits."
Reserve for price fluctuations		787,547	883,647	96,100	Reserve for price fluctuations is recorded based on the provisions of Article 115 of the Insurance Business Act.

(Fiscal year ended March 31, 2022)

Millions of Yen

Classification		Beginning balance	Ending balance	Increase (decrease) in the fiscal year	Reasons for recording:
Allowance for possible loan losses	General allowance for possible loan losses	628	682	54	Allowance for possible loan losses is recorded to cover bad-debt loss.
	Specific allowance for possible loan losses	261	242	(19)	
	Allowance for specific overseas debt	—	—	—	
Accrued retirement benefits		—	—	—	Accrued retirement benefits are recorded based on "Accounting Standard for Retirement Benefits."
Reserve for price fluctuations		883,647	971,947	88,300	Reserve for price fluctuations is recorded based on the provisions of Article 115 of the Insurance Business Act.

9 Status of Specific Allowance for Possible Loan Losses

Millions of Yen

Classification	As of March 31, 2021	As of March 31, 2022
Amount of provision	522	274
Amount of reversal (Excluding reversal accompanying write-off)	235	284
Net provision	287	(10)

10 Status of Allowance for Specific Overseas Debt

a. Allowance for specific overseas debt

Omitted as there are no ending balances for March 31, 2021 and 2022.

b. Balance of debt by creditor countries

Omitted as there are no ending balances for March 31, 2021 and 2022.

11 Loans etc. payable by Due Date

(As of March 31, 2021)

Millions of Yen

Classification	Within 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years to 7 years	Over 7 years to 10 years	Over 10 years (including loans payable with no fixed maturity)	Total
Loans payable	—	—	—	—	—	120,000	120,000
Corporate bonds	—	—	—	—	—	449,924	449,924

(As of March 31, 2022)

Millions of Yen

Classification	Within 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years to 7 years	Over 7 years to 10 years	Over 10 years (including loans payable with no fixed maturity)	Total
Loans payable	—	—	—	—	—	120,000	120,000
Corporate bonds	—	—	—	—	—	480,510	480,510

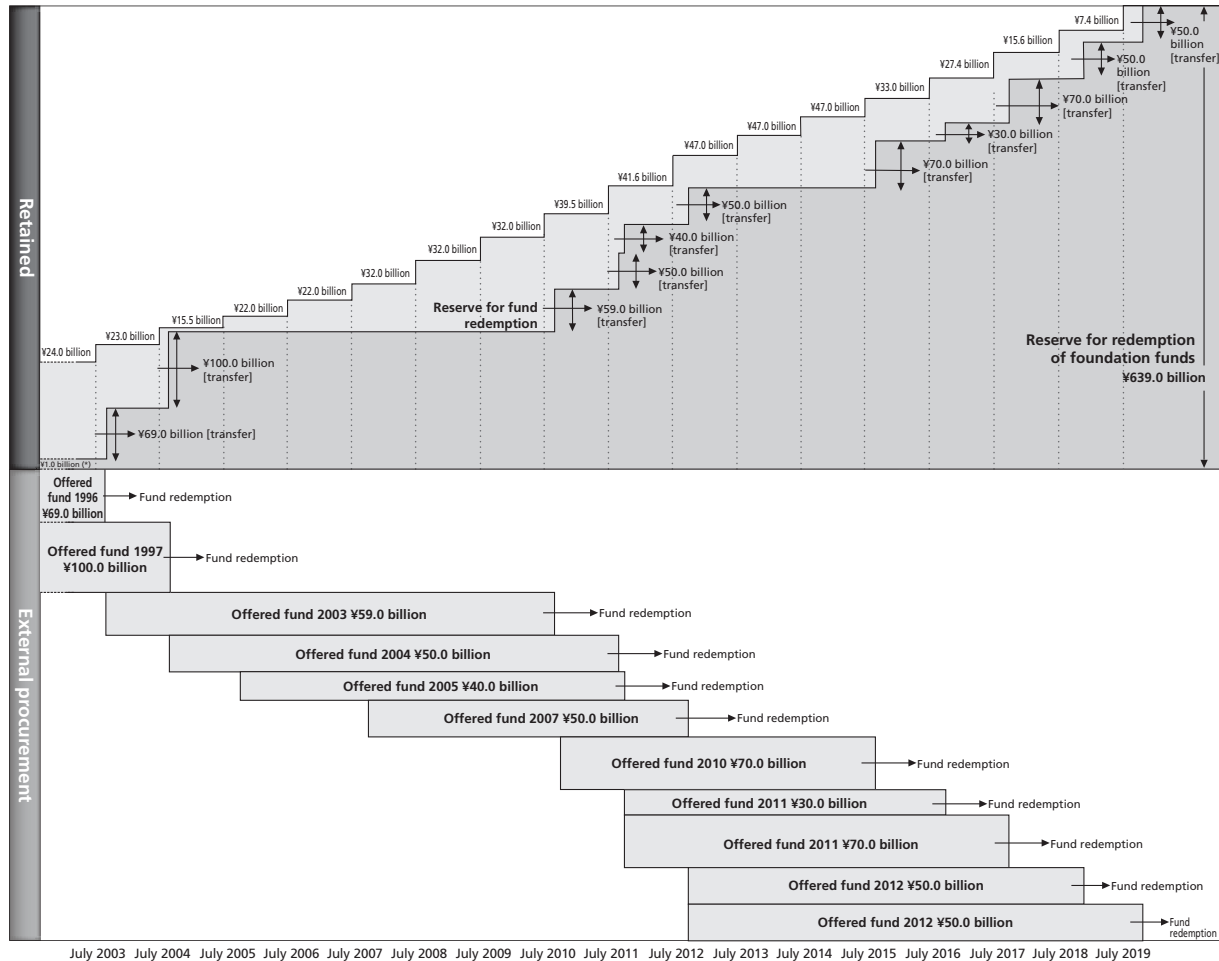
◆ Net Assets

1 Status of Foundation Funds (Kikin)

Total foundation funds (the total of foundation funds and reserve for redemption of foundation funds) as of March 31, 2022 was ¥639.0 billion.

Fund redemption history

The following diagram shows the history of accumulation of reserve for fund redemption, transfer to the reserve for redemption of foundation funds and fund redemption.



*The minimum fund amount as stipulated in the Insurance Business Act is ¥1.0 billion.

◆ Insurance-related Income

1 Insurance Premiums

Millions of Yen

Classification	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Individual life insurance	1,308,888	1,308,061
(Lump-sum payment)	333,401	339,071
(Annual payment)	143,449	157,522
(Semiannual payment)	4,380	3,875
(Monthly payment)	827,657	807,592
Individual annuities	587,060	521,182
(Lump-sum payment)	27,068	32,200
(Annual payment)	260,585	194,382
(Semiannual payment)	3,138	2,972
(Monthly payment)	296,268	291,626
Group insurance	91,506	93,000
Group annuities	181,809	203,310
Total including other premiums	2,185,080	2,140,392

(Note) Annual payments represent amounts which include payments made once a year, and semiannual payments represent amounts which include payments made twice a year.

2 Claims Paid

a. Amount

(Fiscal year ended March 31, 2021)

Millions of Yen

Classification	Individual life insurance	Individual annuities	Group insurance	Group annuities	Workers' asset-formation insurance and annuities	Other insurance	Total
Mortality	311,824	4,003	41,270	—	—	0	357,099
Accident	6,507	8	72	—	41	—	6,629
Serious disability	5,884	40	3,366	—	—	—	9,290
Maturity	180,298	2	—	—	1,121	—	181,422
Others	3,777	—	—	—	—	—	3,777
Total	508,291	4,053	44,710	—	1,163	0	558,220

(Fiscal year ended March 31, 2022)

Millions of Yen

Classification	Individual life insurance	Individual annuities	Group insurance	Group annuities	Workers' asset-formation insurance and annuities	Other insurance	Total
Mortality	331,219	3,549	41,082	—	—	2	375,854
Accident	8,110	19	75	—	110	—	8,314
Serious disability	5,302	27	3,089	—	—	—	8,418
Maturity	122,836	0	—	—	1,609	—	124,446
Others	4,311	—	—	—	—	—	4,311
Total	471,780	3,596	44,247	—	1,719	2	521,345

b. Number of policies

(Fiscal year ended March 31, 2021)

Number of claims

Classification	Individual life insurance	Individual annuities	Group insurance	Group annuities	Workers' asset-formation insurance and annuities	Other insurance	Total
Mortality	64,784	679	39,336	—	—	106	104,905
Accident	1,065	2	158	—	3	—	1,228
Serious disability	883	8	2,582	—	—	—	3,473
Maturity	45,459	63	—	—	1,755	—	47,277
Others	7,131	—	—	—	—	—	7,131
Total	119,322	752	42,076	—	1,758	106	164,014

(Fiscal year ended March 31, 2022)

Number of claims

Classification	Individual life insurance	Individual annuities	Group insurance	Group annuities	Workers' asset-formation insurance and annuities	Other insurance	Total
Mortality	69,563	597	39,165	—	—	107	109,432
Accident	1,308	4	168	—	10	—	1,490
Serious disability	823	6	2,529	—	—	—	3,358
Maturity	28,449	35	—	—	2,231	—	30,715
Others	8,111	—	—	—	—	—	8,111
Total	108,254	642	41,862	—	2,241	107	153,106

③ Annuity Payments

a. Amount

(Fiscal year ended March 31, 2021)

Millions of Yen

Individual life insurance	Individual annuities	Group insurance	Group annuities	Workers' asset-formation insurance and annuities	Other insurance	Total
—	383,027	395	52,604	3,577	—	439,604

(Fiscal year ended March 31, 2022)

Millions of Yen

Individual life insurance	Individual annuities	Group insurance	Group annuities	Workers' asset-formation insurance and annuities	Other insurance	Total
—	373,449	380	51,574	3,357	—	428,761

b. Number of policies

(Fiscal year ended March 31, 2021)

Number of policies

Individual life insurance	Individual annuities	Group insurance	Group annuities	Workers' asset-formation insurance and annuities	Other insurance	Total
—	594,715	18,679	2,006,084	12,189	—	2,631,667

(Fiscal year ended March 31, 2022)

Number of policies

Individual life insurance	Individual annuities	Group insurance	Group annuities	Workers' asset-formation insurance and annuities	Other insurance	Total
—	587,468	17,457	1,995,317	11,527	—	2,611,769

4 Benefits Payments

a. Amount

(Fiscal year ended March 31, 2021)

Millions of Yen

Classification	Individual life insurance	Individual annuities	Group insurance	Group annuities	Workers' asset-formation insurance and annuities	Other insurance	Total
Death benefits	42,130	11,012	5	—	197	—	53,346
Hospitalization benefits	59,662	538	83	—	—	51	60,336
Surgical benefits	30,591	578	—	—	—	26	31,196
Disability benefits	4,357	12	27	—	5	—	4,402
Survival benefits	36,622	214	—	—	394	—	37,231
Others	4,802	2	1	105,147	40	2	109,997
Total	178,166	12,360	118	105,147	638	80	296,512

(Fiscal year ended March 31, 2022)

Millions of Yen

Classification	Individual life insurance	Individual annuities	Group insurance	Group annuities	Workers' asset-formation insurance and annuities	Other insurance	Total
Death benefits	50,261	10,671	5	—	125	—	61,063
Hospitalization benefits	67,292	513	88	—	—	55	67,949
Surgical benefits	30,727	555	—	—	—	27	31,311
Disability benefits	4,354	9	14	—	10	—	4,388
Survival benefits	39,274	273	—	—	380	—	39,928
Others	4,455	0	0	99,172	45	2	103,676
Total	196,365	12,023	109	99,172	561	85	308,317

b. Number of policies

(Fiscal year ended March 31, 2021)

Number of policies

Classification	Individual life insurance	Individual annuities	Group insurance	Group annuities	Workers' asset-formation insurance and annuities	Other insurance	Total
Death benefits	19,863	4,026	418	—	58	—	24,365
Hospitalization benefits	797,033	7,281	2,809	—	—	6,514	813,637
Surgical benefits	406,061	7,169	—	—	—	2,991	416,221
Disability benefits	54,546	129	114	—	1	—	54,790
Survival benefits	107,976	924	—	—	137	—	109,037
Others	32,149	15	116	445,913	96	77	478,366
Total	1,417,628	19,544	3,457	445,913	292	9,582	1,896,416

(Fiscal year ended March 31, 2022)

Number of policies

Classification	Individual life insurance	Individual annuities	Group insurance	Group annuities	Workers' asset-formation insurance and annuities	Other insurance	Total
Death benefits	21,581	4,258	391	—	52	—	26,282
Hospitalization benefits	930,386	7,362	2,727	—	—	10,475	950,950
Surgical benefits	415,639	6,957	—	—	—	4,017	426,613
Disability benefits	56,202	120	70	—	1	—	56,393
Survival benefits	107,259	1,070	—	—	130	—	108,459
Others	34,776	7	80	470,112	124	53	505,152
Total	1,565,843	19,774	3,268	470,112	307	14,545	2,073,849

5 Surrender Benefits

(Fiscal year ended March 31, 2021)

Millions of Yen

Individual life insurance	Individual annuities	Group insurance	Group annuities	Workers' asset-formation insurance and annuities	Other insurance	Total
292,158	75,600	—	19,897	16,166	—	403,822

(Fiscal year ended March 31, 2022)

Millions of Yen

Individual life insurance	Individual annuities	Group insurance	Group annuities	Workers' asset-formation insurance and annuities	Other insurance	Total
317,647	89,151	—	23,839	16,188	—	446,828

◆ Investment-related Income

1 Investment Income (General Account)

Millions of Yen, %

Classification	Fiscal year ended March 31, 2021		Fiscal year ended March 31, 2022	
		Rate of increase (decrease)		Rate of increase (decrease)
Interest, dividends, and other income	611,775	95.7	667,365	109.1
Gains on money held in trust	—	—	379	—
Gains on sales of securities	79,393	92.3	67,019	84.4
Gains on redemption of securities	16,323	120.6	1,761	10.8
Gains on derivative financial instruments	—	—	2,546	—
Foreign exchange gains	—	—	98,853	—
Other investment income	1,474	144.1	2,732	185.3
Total	708,966	95.8	840,657	118.6

2 Investment Expenses (General Account)

Millions of Yen, %

Classification	Fiscal year ended March 31, 2021		Fiscal year ended March 31, 2022	
		Rate of increase (decrease)		Rate of increase (decrease)
Interest expenses	10,484	42.7	10,363	98.9
Losses on sales of securities	17,087	115.6	68,051	398.2
Losses on valuation of securities	2,025	3.9	9,633	475.6
Losses on redemption of securities	5	0.1	—	—
Losses on derivative financial instruments	74,286	62.7	—	—
Foreign exchange losses	10,974	96.1	—	—
Provision for allowance for possible loan losses	318	—	43	13.8
Depreciation of real estate for investments	8,422	97.9	8,425	100.0
Other investment expenses	13,441	108.6	15,827	117.7
Total	137,046	55.6	112,344	82.0

3 Interest, Dividends, and Other Income (General Account)

Millions of Yen

Classification	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Interest on deposits	2,595	787
Interest and dividends on securities	535,731	593,228
Interest on domestic bonds	218,997	220,193
Domestic stock dividends	46,812	62,013
Interest and dividends on foreign securities	259,237	297,662
Interest on loans	23,518	24,105
Interest on industrial and consumer loans	13,704	14,410
Rent revenue from real estate	34,717	32,111
Total including other income	611,775	667,365

4 Analysis of Interest, Dividends, and Other Income (General Account)

Millions of Yen

Fiscal Year ended March 31, 2022	Increase (decrease) in balance	Increase (decrease) in interests	Total increase (decrease)
Interest, dividends, and other income	27,326	28,264	55,590
Cash, deposits and call loans	(201)	(1,864)	(2,065)
Securities	27,768	29,728	57,497
Loans	2,182	(1,595)	586
Real estate	65	(2,671)	(2,606)

5 Gains on Sales of Securities (General Account)

Millions of Yen

Classification	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Domestic bonds including national government bonds	46,798	23,057
Domestic stocks and others	15,991	21,326
Foreign securities	16,603	22,634
Total including other gains on sales of securities	79,393	67,019

6 Gains on Disposal of Fixed Assets (General Account)

Millions of Yen

Classification	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Tangible fixed assets	241	2,344
Land	—	48
Buildings	241	2,296
Lease assets	—	—
Other assets	—	—
Intangible fixed assets	—	—
Others	—	—
Total	241	2,344
Real estate for investments	241	2,270

7 Losses on Sales of Securities (General Account)

Millions of Yen

Classification	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Domestic bonds including national government bonds	4,197	23,374
Domestic stocks and others	2,100	3,780
Foreign securities	10,789	40,896
Total including other losses on sales of securities	17,087	68,051

8 Losses on Valuation of Securities (General Account)

Millions of Yen

Classification	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Domestic stocks and others	1,875	9,633
Foreign securities	149	—
Total including other losses on valuations of securities	2,025	9,633

9 Write-off of Loans (General Account)

No loans have been written off in the fiscal year ended March 31, 2021 and 2022.

10 Depreciation of Real Estate for Investments (General Account)
(Fiscal year ended March 31, 2021)

Millions of Yen

Classification	Acquisition cost	Depreciation in the fiscal year	Accumulated depreciation	Ending balance	Accumulated depreciation percentage
Tangible fixed assets	386,151	8,353	270,037	116,113	69.9%
Buildings	385,220	8,330	269,157	116,063	69.8%
Other tangible fixed assets	931	22	880	50	94.5%
Intangible fixed assets	0	0	0	0	72.3%
Others	1,543	68	852	691	55.2%
Total	387,695	8,422	270,890	116,805	69.8%

(Fiscal year ended March 31, 2022)

Millions of Yen

Classification	Acquisition cost	Depreciation in the fiscal year	Accumulated depreciation	Ending balance	Accumulated depreciation percentage
Tangible fixed assets	395,488	8,339	275,254	120,234	69.5%
Buildings	394,552	8,317	274,373	120,179	69.5%
Other tangible fixed assets	935	21	880	54	94.1%
Intangible fixed assets	13	0	6	7	45.5%
Others	1,610	85	926	684	57.5%
Total	397,112	8,425	276,186	120,925	69.5%

11 Losses on Disposal of Fixed Assets (General Account)

Millions of Yen

Classification	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Tangible fixed assets	496	2,713
Land	72	2,607
Buildings	276	59
Lease assets	7	5
Other assets	139	40
Intangible fixed assets	110	3
Others	14	15
Total	621	2,731
Real estate for investments	203	2,314

◆ Others

1 Depreciation

(Fiscal year ended March 31, 2021)

Millions of Yen

Classification	Acquisition cost	Depreciation in the fiscal year	Accumulated depreciation	Ending balance	Accumulated depreciation percentage
Tangible fixed assets	223,964	6,777	157,484	66,479	70.3%
Buildings	191,432	3,867	133,755	57,676	69.8%
Lease assets	8,127	1,376	3,739	4,387	46.0%
Other tangible fixed assets	24,404	1,533	19,989	4,415	81.9%
Intangible fixed assets	147,717	11,151	110,489	37,228	74.7%
Others	20,338	22	20,266	71	99.6%
Total	392,020	17,951	288,240	103,779	73.5%

(Fiscal year ended March 31, 2022)

Millions of Yen

Classification	Acquisition cost	Depreciation in the fiscal year	Accumulated depreciation	Ending balance	Accumulated depreciation percentage
Tangible fixed assets	217,836	6,765	153,543	64,292	70.4%
Buildings	187,963	3,955	130,710	57,253	69.5%
Lease assets	8,238	1,437	5,176	3,061	62.8%
Other tangible fixed assets	21,634	1,372	17,656	3,978	81.6%
Intangible fixed assets	157,370	12,134	122,048	35,321	77.5%
Others	20,323	22	20,251	71	99.6%
Total	395,529	18,922	295,844	99,685	74.7%

2 Operating Expenses

Millions of Yen

Classification	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Marketing operations	111,370	109,747
Marketing administration	57,690	60,391
General and administrative expenses	160,965	160,891
Total	330,027	331,030

(Note) Of general and administrative expenses, contributions to the Life Insurance Policyholders Protection Corporation of Japan were ¥2,573 million and ¥2,378 million in the fiscal year ended March 31, 2021 and 2022, respectively.

3 Tax Expenses

Millions of Yen

Classification	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
National tax	15,643	16,029
Consumption tax	13,952	14,387
Special corporate enterprise tax	1,503	1,459
Documentary stamp tax	185	180
Registration and license tax	1	1
Other national tax	0	0
Local tax	11,027	11,194
Local consumption tax	3,923	4,045
Corporate enterprise tax	5,172	5,024
Fixed asset tax	1,494	1,682
Real-estate acquisition tax	—	—
Corporate income tax	436	442
Other local tax	0	0
Total	26,671	27,224

4 Lease Transactions

<Lease transactions (lessee side)>

[Finance leases not transferring ownership that have been recorded based on normal lease transaction methods]

a. Pro forma information relating to acquisition cost, accumulated depreciation, and book value of leased assets at the end of the fiscal year

Omitted as there are no ending balances for March 31, 2021 and 2022.

b. Future minimum lease payments balance as of the end of the fiscal year

Omitted as there are no ending balances for March 31, 2021 and 2022.

c. Lease fees paid, depreciation and interest expenses

Omitted as there are no ending balances for March 31, 2021 and 2022.

d. Calculation method for depreciation and interest

Calculation method for depreciation	Depreciation of the acquisition cost equivalent calculated on a straight-line method over the lease period
Calculation method for interest expenses	Interest calculated by applying interest method to accrued lease payments over the lease period

◆ Policy Amount-related Statistics

1 Amount of Policy in Force by Coverage Type

Thousand policies, Millions of Yen

Classification			Number of policies and amount in force			
			As of March 31, 2021		As of March 31, 2022	
			Policies	Amount	Policies	Amount
Death protection	Death protection due to illness/accident	Individual life insurance	7,974	57,676,631	7,874	53,756,360
		Individual annuities	—	—	—	—
		Group insurance	22,463	33,092,642	22,222	33,297,735
		Group annuities	—	—	—	—
	Total including other types	30,438	90,769,274	30,101	87,080,770	
	Death protection due to accident	Individual life insurance	[6,828]	[15,464,714]	[6,581]	[14,584,027]
		Individual annuities	[29]	[129,613]	[27]	[120,008]
		Group insurance	[2,386]	[809,491]	[2,363]	[802,909]
		Group annuities	[—]	[—]	[—]	[—]
Total including other types	[9,243]	[16,403,819]	[8,976]	[15,586,968]		
Death protection due to specific causes	Individual life insurance	[0]	[2]	[0]	[1]	
	Individual annuities	[—]	[—]	[—]	[—]	
	Group insurance	[62]	[31,576]	[62]	[29,057]	
	Group annuities	[—]	[—]	[—]	[—]	
Total including other types	[62]	[31,578]	[66]	[55,732]		
Pure endowment	Maturity and survival benefits	Individual life insurance	198	359,056	194	347,891
		Individual annuities	2,649	13,327,553	2,625	13,168,703
		Group insurance	0	68	0	81
		Group annuities	—	—	—	—
	Total including other types	2,853	13,702,844	2,825	13,531,700	
	Annuity	Individual life insurance	[—]	[—]	[—]	[—]
		Individual annuities	[3,183]	[1,862,828]	[3,146]	[1,831,027]
		Group insurance	[5]	[387]	[5]	[366]
		Group annuities	[—]	[—]	[—]	[—]
	Total including other types	[3,200]	[1,866,782]	[3,162]	[1,834,739]	
	Others	Individual life insurance	—	—	—	—
		Individual annuities	533	1,601,410	521	1,584,469
Group insurance		5	2,440	5	2,308	
Group annuities		6,418	2,666,577	6,432	2,716,382	
Total including other types	7,020	4,450,920	7,017	4,479,484		
Hospitalization coverage	Coverage for hospitalization due to accident	Individual life insurance	[4,598]	[27,526]	[4,495]	[26,581]
		Individual annuities	[84]	[399]	[77]	[368]
		Group insurance	[1,249]	[1,118]	[1,242]	[1,122]
		Group annuities	[—]	[—]	[—]	[—]
	Total including other types	[6,152]	[29,151]	[6,093]	[28,179]	
	Coverage for hospitalization due to illness	Individual life insurance	[4,594]	[27,429]	[4,492]	[26,496]
		Individual annuities	[82]	[391]	[76]	[361]
		Group insurance	[14]	[61]	[14]	[63]
		Group annuities	[—]	[—]	[—]	[—]
Total including other types	[4,912]	[27,988]	[4,861]	[27,028]		
Coverage for hospitalization due to other causes	Individual life insurance	[7,896]	[221,829]	[7,599]	[247,212]	
	Individual annuities	[32]	[269]	[30]	[252]	
	Group insurance	[65]	[68]	[65]	[68]	
	Group annuities	[—]	[—]	[—]	[—]	
Total including other types	[8,060]	[222,201]	[7,938]	[247,570]		

- (Notes) 1. Figures in [] represent additional coverage attached to primary policies and rider coverage. However, the portion of death protection due to illness/accident in term riders is recorded under primary coverage.
2. Numbers of policies in group insurance and group annuities represent respective number of insured persons.
3. Amounts in the "others" column of pure endowment show corresponding policy reserves.
4. The amounts of hospitalization coverage show the amount of daily hospital benefits.
5. In individual annuities and group insurance, the "maturity and survival benefits" column shows the number of policies signed prior to the start of annuity payments and annuity reserves at the start of annuity payments, while the "annuity" column shows the annual annuity payments and "others" column shows the number of policies signed after the start of annuity payments and corresponding policy reserves.
6. The amount of total including other types in coverage for hospitalization due to illness shows the sum of primary coverage portion and additional coverage portion.
7. "Coverage for hospitalization due to other causes" columns represent insurance covers in respect of specific illness or accidents including adult disease medical rider, traffic accident rider, and group term insurance work-related accident rider.

Number of Policies

Classification		Number of policies in force	
		As of March 31, 2021	As of March 31, 2022
Disability coverage	Individual life insurance	5,825,997	5,646,494
	Individual annuities	26,065	24,473
	Group insurance	2,153,415	2,125,378
	Group annuities	—	—
Total including other types	8,005,477	7,796,345	
Surgical coverage	Individual life insurance	5,472,076	5,274,378
	Individual annuities	102,808	95,060
	Group insurance	—	—
	Group annuities	—	—
Total including other types	5,639,741	5,495,050	

2 Annualized Premiums

a. Policies in force

Millions of Yen, %

Classification	As of March 31, 2021		As of March 31, 2022	
		Rate of increase (decrease)		Rate of increase (decrease)
Individual life insurance	1,493,922	(1.2)	1,485,604	(0.6)
Individual annuities	792,748	0.4	783,776	(1.1)
Total	2,286,671	(0.7)	2,269,380	(0.8)
Living benefits, medical coverage, and others	555,403	(0.2)	558,528	0.6

b. New policies (new policies acquired plus net increase by conversion)

Millions of Yen, %

Classification	Fiscal year ended March 31, 2021		Fiscal year ended March 31, 2022	
		Rate of increase (decrease)		Rate of increase (decrease)
Individual life insurance	65,130	(20.3)	76,141	16.9
Individual annuities	29,835	6.5	24,649	(17.4)
Total	94,966	(13.5)	100,791	6.1
Living benefits, medical coverage, and others	26,823	(30.2)	35,311	31.6

- (Notes) 1. The amount of annualized premium is the annual premium amount calculated by multiplying factor according to the premium payment method to a single premium payment amount (for lump-sum payment, the amount is the total premium divided by the insured period).
2. Annualized premiums for living benefits represent total amounts of work disability and nursing care benefits, dementia benefits, specified illness benefits, severe chronic disease benefits and benefits of premium waiver riders.
3. Annualized premiums for medical coverage represent hospitalization benefits, surgical benefits and other benefits.

3 Policies in Force and New Policies

a. Policies in force

Thousand policies, Millions of Yen, %

Classification	As of March 31, 2021				As of March 31, 2022			
	Policies	Rate of increase (decrease)	Amount	Rate of increase (decrease)	Policies	Rate of increase (decrease)	Amount	Rate of increase (decrease)
Individual life insurance	8,172	(1.6)	58,035,687	(6.6)	8,069	(1.3)	54,104,252	(6.8)
Individual annuities	3,183	(0.7)	14,928,964	(0.9)	3,146	(1.2)	14,753,173	(1.2)
Group insurance	—	—	33,095,152	2.0	—	—	33,300,124	0.6
Group annuities	—	—	2,666,577	3.6	—	—	2,716,382	1.9

- (Notes) 1. The amount of individual annuities is the total of (a) annuity resources at the start of annuity payments for policies signed prior to the start of annuity payments, and (b) policy reserves for policies signed after the start of annuity payments.
2. The amount of group annuities is the amount of the policy reserves.
3. The group insurance for three major diseases does not provide death protection, so it is not recorded in the policies in force of group insurance above. The insurance amounts for three major diseases of the group insurance policies for three major diseases were ¥239,832 million and ¥292,176 million as of March 31, 2021 and 2022, respectively.

b. New policies (new policies acquired plus net increase by conversion)

Thousand policies, Millions of Yen, %

Classification	Fiscal year ended March 31, 2021						Fiscal year ended March 31, 2022					
	Policies	Rate of increase (decrease)	Amount	Rate of increase (decrease)	New policies	Net increase by conversion	Policies	Rate of increase (decrease)	Amount	Rate of increase (decrease)	New policies	Net increase by conversion
Individual life insurance	480	(20.3)	600,464	(41.3)	1,260,394	(659,930)	681	42.0	478,515	(20.3)	1,329,574	(851,058)
Individual annuities	98	(0.2)	452,977	7.3	455,647	(2,669)	94	(3.2)	399,363	(11.8)	401,979	(2,615)
Group insurance	—	—	67,340	(44.5)	67,340	—	—	—	86,955	29.1	86,955	—
Group annuities	—	—	19	61.8	19	—	—	—	50	155.1	50	—

- (Notes) 1. Number of policies is a total of numbers of new policies acquired, new policies by conversion and new policies after rider replacement.
2. Net increase by conversion includes net increase by rider replacement.
3. Net increase by the acquisition of new policies and conversion in individual annuities represents the annuity resources at the start of annuity payments.
4. New policies in group annuities show the first time premium revenues.
5. The group insurance for three major diseases does not provide death protection, so it is not recorded in the new policies of group insurance above. The insurance amounts for three major diseases of new policies of group insurance for three major diseases were ¥48,770 million and ¥60,460 million in the fiscal years ended March 31, 2021 and 2022, respectively.

4 Trends and Transitions of Policies in Force

Thousand policies, Millions of Yen

Classification			As of March 31, 2021			As of March 31, 2022		
			Policies	Insurance amount	Annualized premiums	Policies	Insurance amount	Annualized premiums
Individual life insurance	Mortality insurance	Whole life insurance	1,719	9,626,248	407,614	1,728	9,725,744	416,687
		Whole life insurance substandard disclosure	140	122,227	22,480	139	121,237	21,924
		Whole life insurance covering nursing care	94	437,507	11,395	97	444,145	11,621
		Whole life insurance with variable assumed interest rate	146	906,837	72,772	139	862,171	68,663
		Whole life insurance denominated in designated currency	88	642,209	47,136	89	716,040	53,694
		Total whole life insurance including other types	2,239	11,956,207	567,293	2,245	12,093,786	579,075
		Whole life insurance with term rider	1,265	11,108,909	145,791	1,148	8,797,117	120,149
		Whole life insurance with variable accumulation rate	2,405	24,822,949	487,473	2,408	23,312,224	492,486
		Term life insurance	59	1,594,727	30,768	56	1,537,401	29,942
		Total term life insurance including other types	102	1,748,244	33,419	100	1,684,013	32,523
	Riders combination insurance	547	5,438,122	79,593	596	5,568,905	86,230	
	Medical whole life insurance	554	124,391	76,007	568	123,255	77,864	
	Medical term life insurance	455	259,303	26,087	451	253,731	26,356	
	Total including other types	7,640	56,149,005	1,419,902	7,583	52,454,237	1,418,612	
	Life and mortality insurance	Endowment insurance	173	734,233	28,821	149	614,459	24,753
		Endowment insurance with term rider	21	223,540	2,388	15	165,768	1,826
		Term life insurance with survival benefits	127	438,336	17,628	121	409,601	16,645
Juvenile insurance		204	449,105	24,212	194	423,871	22,901	
Total including other types		527	1,853,228	73,052	480	1,621,281	66,129	
Pure endowment	5	33,453	967	4	28,733	862		
Subtotal (1)			8,172	58,035,687	1,493,922	8,069	54,104,252	1,485,604
Individual annuities	Individual fixed annuities	Individual annuities	535	2,774,024	184,223	508	2,608,095	179,610
		Annuities focused on survival coverage	2,460	11,573,455	504,889	2,470	11,563,564	516,404
		Individual annuities denominated in designated currency	26	152,371	18,400	27	167,749	18,847
		Individual annuities denominated in designated currency with variable assumed interest rate	17	66,052	3,314	24	91,395	4,590
		Total including other types	3,073	14,704,731	733,115	3,065	14,580,109	743,089
	Individual variable annuities	109	224,233	59,633	81	173,064	40,687	
Subtotal (2)			3,183	14,928,964	792,748	3,146	14,753,173	783,776
(1) + (2) Total			11,356	72,964,652	2,286,671	11,215	68,857,426	2,269,380

Thousand policies, Millions of Yen

Classification		As of March 31, 2021		As of March 31, 2022	
		Policies	Amount	Policies	Amount
Group insurance	Group term life insurance	8,196	5,245,766	8,144	5,176,074
	General welfare group term life insurance	3,841	9,652,674	3,804	9,743,289
	Group credit life insurance	10,162	18,162,531	9,973	18,347,861
	Consumer credit group insurance	38	6,316	36	5,514
	Group whole life insurance	0	45	0	35
	Life insurance for sustainers of disabled	39	25,308	38	24,960
	Group insurance for three major diseases	224	239,832	263	292,176
	Annuities rider	5	2,509	5	2,389
	Subtotal	22,469	33,095,152	22,228	33,300,124
Group annuities	Corporate pension plans	0	256	0	267
	New corporate pension plans	4,087	76,398	4,134	76,913
	Insured contributory pension plans	2,330	785,621	2,296	785,648
	Employees' pension fund insurance	0	105	0	106
	Defined benefit corporate pension plans	—	1,689,308	—	1,736,266
	Defined contribution pension plans	—	114,887	—	117,181
Subtotal		6,418	2,666,577	6,432	2,716,382
Workers' asset formation insurance		50	161,541	47	158,692
Workers' asset formation annuities		17	35,115	16	32,654
Medical life insurance		155	72	152	71
Assumed reinsurance		64	33	129	26,709

Thousand policies, Millions of Yen

Classification		As of March 31, 2021		As of March 31, 2022	
		Policies	Amount	Policies	Amount
Hospitalization/ accident riders	Accident rider with extra premium	1,269	5,458,881	1,234	5,171,026
	Accident coverage rider	3	4,446	1	2,686
	Personal accident rider	2,677	9,284,076	2,549	8,782,557
	Accident injury rider	3,154	163,555	3,104	161,095
	General medical rider	2,623	16,671	2,610	16,303
	Hospitalization due to accident rider	905	5,308	803	4,710
	Hospitalization due to illness rider	1,022	5,733	918	5,138
	Hospitalization due to adult disease rider	1,542	7,054	1,430	6,499
	Hospitalization due to other causes rider	6,370	214,937	6,184	240,871
	Advanced medical treatment rider	3,494	—	3,469	—
	Cancer diagnosis rider	1,950	1,178,665	2,064	1,256,748
Cancer medication rider	2,041	125,418	2,153	131,176	

- (Notes) 1. Number of policies for group insurance, group annuities, workers' asset formation insurance, workers' asset formation annuities, medical life insurance and assumed reinsurance each represents respective number of insured persons.
2. Number of policies for life insurance for sustainers of disabled is not included in the subtotal. Also, the amount for the group insurance for three major diseases represents the insurance amount for three major diseases, and is not included in the subtotal.
3. The "Insurance amount" and "Amount" columns show principal amounts of coverage.
- a. Individual annuities and group insurance (with annuities rider) show the sum of annuity resources at the start of annuity payments for policies signed prior to the start of annuity payments and the policy reserve for policies signed after the start of annuity payments.
- b. Group annuities and workers' asset formation insurance show respective policy reserves.
- c. Workers' asset formation annuities show the sum of annuity resources at the start of annuity payments for policies signed prior to the start of annuity payments and the policy reserve for policies signed after the start of annuity payments, while workers' asset formation funding annuities show policy reserves.
- d. Medical life insurance shows the amount of daily hospital benefit.
4. The amount of annualized premium is the annual premium amount calculated by multiplying factor according to the premium payment method to a single premium payment amount (for lump-sum payment, the amount is the total premium divided by the insured period).
5. Amount of accident injury rider shows the amount of benefit, while hospitalization riders show daily hospital benefit.
6. Accident coverage rider includes traffic accident rider.
7. Hospitalization due to illness rider includes substandard medical rider.
8. Cancer diagnosis rider includes continuing coverage of cancer diagnosis rider.

5 Trends and Transitions of New Policies (New Policies Acquired plus Net Increase by Conversion)

Thousand policies, Millions of Yen

Classification			Fiscal year ended March 31, 2021			Fiscal year ended March 31, 2022		
			Policies	Insurance amount	Annualized premiums	Policies	Insurance amount	Annualized premiums
Individual life insurance	Mortality insurance	Whole life insurance	54	238,076	22,574	71	289,465	29,456
		Whole life insurance substandard disclosure	10	10,392	1,555	10	10,002	1,513
		Whole life insurance covering nursing care	5	20,167	569	6	20,547	581
		Whole life insurance denominated in designated currency	18	121,181	10,202	11	77,810	6,715
		Total whole life insurance including other types	89	390,092	34,918	99	398,027	38,277
		Whole life insurance with variable accumulation rate	186	2,000,048	36,889	307	3,035,195	61,050
		Term life insurance	1	42,637	1,074	1	51,532	1,280
		Total term life insurance including other types	2	44,620	1,130	4	55,741	1,405
		Riders combination insurance	108	904,345	13,870	149	1,460,862	21,597
		Medical whole life insurance	37	9,189	5,369	46	10,505	6,957
	Medical term life insurance	36	23,064	2,239	56	34,912	3,726	
	Total including other types	461	3,371,431	94,417	664	4,995,287	133,015	
	Life and mortality insurance	Endowment insurance	7	26,425	1,725	6	22,877	1,401
		Term life insurance with survival benefits	5	19,870	822	5	18,715	777
		Juvenile insurance	5	8,506	603	5	8,732	620
Total including other types		18	54,802	3,151	17	50,324	2,800	
Pure endowment			—	—	—	—	—	
Subtotal (1)			480	3,426,233	97,569	681	5,045,612	135,815
Individual annuities	Individual fixed annuities	Annuities focused on survival coverage	84	396,604	25,117	80	341,686	19,739
		Individual annuities denominated in designated currency	5	27,419	3,248	6	32,241	3,535
		Individual annuities denominated in designated currency with variable assumed interest rate	8	31,622	1,549	7	28,050	1,449
		Total including other types	98	455,647	29,914	94	401,979	24,724
	Individual variable annuities			—	—	—	—	—
Subtotal (2)			98	455,647	29,914	94	401,979	24,724
(1) + (2) Total			578	3,881,880	127,484	776	5,447,591	160,540

Thousand policies, Millions of Yen

Classification		Fiscal year ended March 31, 2021		Fiscal year ended March 31, 2022	
		Policies	Amount	Policies	Amount
Group insurance	Group term life insurance	13	3,677	2	1,203
	General welfare group term life insurance	25	40,666	34	85,751
	Group credit life insurance	46	22,996	—	—
	Group insurance for three major diseases	51	48,770	42	60,460
	Subtotal	136	67,340	78	86,955
Group annuities	Insured contributory pension plan	—	—	1	0
	Defined benefit corporate pension plans	—	6	—	44
	Defined contribution pension plans	—	13	—	6
	Subtotal	—	19	1	50
Workers' asset formation insurance		0	6	0	45
Workers' asset formation annuities		0	1	0	7
Medical life insurance		—	—	—	—

- (Notes) 1. Number of policies for group insurance, group annuities, workers' asset formation insurance, worker's asset formation annuities and medical life insurance each represents respective number of insured persons.
2. The amount for the group insurance for three major diseases represents the insurance amount for three major diseases, and is not included in the subtotal.
3. The "Insurance amount" and "Amount" columns show principal amounts of coverage.
- Individual annuities show annuity resources at the start of annuity payments.
 - Group annuities and workers' asset formation insurance show the first time premium revenues.
 - Workers' asset formation annuities show the annuity resources at the start of annuity payments, while workers' asset formation funding annuities show the first time premium revenues.
 - Medical life insurance show the amount of daily hospital benefit.
4. The amount of annualized premium is the annual premium amount calculated by multiplying factor according to the premium payment method to a single premium payment amount (for lump-sum payment, the amount is the total premium divided by the insured period).
5. Individual life insurance and individual annuities include increases due to conversion as well as rider replacement.

◆ Indicators Related to Separate Accounts

① Status of the balance of assets held in separate accounts

Millions of Yen

Classification	As of March 31, 2021		As of March 31, 2022	
	Amount		Amount	
Individual variable insurance	61,898		61,578	
Individual variable annuities	78,046		58,618	
Group annuities	688,178		708,345	
Total of separate accounts	828,123		828,542	

② Status of the separate accounts of individual variable insurance and individual variable annuities

a. Overview of investment of fiscal 2021

Underpinned by strong corporate earnings, stock markets at home and abroad were on an upward trend despite some declines due to concerns over the re-spread of COVID-19. Toward the end of the fiscal year, however, the stock markets fell against the backdrop of the U.S. interest rate hike speculation amid inflation concerns and the escalating tensions over the situation in Ukraine. Long-term interest rates in Japan remained low as the Bank of Japan continued its easing monetary policy, but rose toward the end of the fiscal year on the back of rising U.S. interest rates and soaring energy prices due to the escalating tensions over the situation in Ukraine. U.S. long-term interest rates were on a downward trend due to concerns over the re-spread of COVID-19, but rose toward the end of the fiscal year against the backdrop of the U.S. interest rate hike speculation amid inflation concerns. The exchange rate (U.S. dollar/yen) remained almost flat in the first half of the fiscal year due to risk aversion caused by the re-spread of COVID-19 and caution about the U.S. monetary policy, but in the second half of the fiscal year, the yen weakened against the U.S. dollar mainly due to the deterioration of Japan's trade balance resulting from soaring energy prices and the widening gap in interest rates between Japan and the U.S.

In these circumstances, the Company managed funds held in separate accounts for individual variable insurance policies, basically taking a slightly increased share of domestic and foreign stocks, while reducing the share of domestic and foreign bonds. Furthermore, the Company sold some of its domestic and foreign stocks when the stock markets were rising, and bought stocks when the stock markets were falling in anticipation of a rebound in the prices of those stocks. As a result, the investment yield was positive. Regarding the in-house managed portion of the funds in separate accounts for individual variable annuities, the Company mainly structured a portfolio comprising assets in line with the basic asset allocation proportions and adjusted these asset proportions according to market perspectives. Meanwhile, following due consideration of investment attractiveness, the Company did not invest these funds in foreign bonds with currency hedge but in domestic bonds only. As a result, the investment yield was positive. Among separate accounts for individual variable annuities which were primarily managed by investment trusts, the Company maintained fairly high proportions of investment trusts in their portfolios.

b. Policies in force

● Individual variable insurance

Number of policies, Millions of Yen

Classification	As of March 31, 2021		As of March 31, 2022	
	Policies	Amount	Policies	Amount
Individual variable insurance (Defined term type)	17	80	13	65
Individual variable insurance (Whole life type)	47,958	249,091	46,367	241,358
Total	47,975	249,172	46,380	241,424

(Note) Policies in force include term life insurance riders.

● Individual variable annuities

Number of policies, Millions of Yen

Classification	As of March 31, 2021		As of March 31, 2022	
	Policies	Amount	Policies	Amount
Individual variable annuities	109,326	224,233	81,277	173,064

c. Breakdown of assets held in separate accounts

● Individual variable insurance

Millions of Yen, %

Classification	As of March 31, 2021		As of March 31, 2022	
	Amount	Composition ratio	Amount	Composition ratio
Cash, deposits and call loans	1,718	2.8	387	0.6
Securities	59,058	95.4	59,314	96.3
Domestic bonds	17,656	28.5	17,098	27.8
Domestic stocks	17,961	29.0	17,935	29.1
Foreign securities	23,441	37.9	24,281	39.4
Foreign bonds	5,851	9.5	5,653	9.2
Other foreign securities	17,590	28.4	18,627	30.3
Other securities	—	—	—	—
Loans	—	—	—	—
Others	1,121	1.8	1,876	3.0
Allowance for possible loan losses	—	—	—	—
Total	61,898	100.0	61,578	100.0

● Individual variable annuities

Millions of Yen, %

Classification	As of March 31, 2021		As of March 31, 2022	
	Amount	Composition ratio	Amount	Composition ratio
Cash, deposits and call loans	8,729	11.2	4,612	7.9
Securities	65,603	84.1	48,847	83.3
Domestic bonds	28,124	36.0	18,685	31.9
Domestic stocks	8,789	11.3	5,784	9.9
Foreign securities	23,539	30.2	20,121	34.3
Foreign bonds	20,516	26.3	18,360	31.3
Other foreign securities	3,023	3.9	1,761	3.0
Other securities	5,148	6.6	4,255	7.3
Loans	—	—	—	—
Others	3,713	4.8	5,158	8.8
Allowance for possible loan losses	—	—	—	—
Total	78,046	100.0	58,618	100.0

d. Investment income and expenses

● Individual variable insurance

Millions of Yen

Classification	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
	Amount	Amount
Interest, dividends, and other income	900	1,005
Gains on sales of securities	2,487	2,981
Gains on redemption of securities	—	—
Gains on valuation of securities	16,289	14,440
Foreign exchange gains	19	19
Gains on derivative financial instruments	404	42
Other investment income	1	2
Losses on sales of securities	1,331	665
Losses on redemption of securities	8	34
Losses on valuation of securities	5,584	13,314
Foreign exchange losses	5	12
Losses on derivative financial instruments	8	28
Other investment expenses	0	0
Net investment income	13,163	4,437

(Note) ¥16,289 million gains on valuation of securities for the fiscal year ended March 31, 2021 include ¥4,333 million reversal for gains on valuation of securities, while ¥5,584 million losses on valuation of securities include ¥4,542 million reversal for losses on valuation of securities.
 ¥14,440 million gains on valuation of securities for the fiscal year ended March 31, 2022 include ¥1,042 million reversal for gains on valuation of securities, while ¥13,314 million losses on valuation of securities include ¥11,955 million reversal for losses on valuation of securities.

● Individual variable annuities

Millions of Yen

Classification	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
	Amount	Amount
Interest, dividends, and other income	1,853	928
Gains on sales of securities	2,944	2,972
Gains on redemption of securities	—	—
Gains on valuation of securities	9,486	5,831
Foreign exchange gains, net	87	7
Gains on derivative financial instruments, net	232	168
Other investment income	2	5
Losses on sales of securities	740	413
Losses on redemption of securities	4	16
Losses on valuation of securities	6,214	8,186
Foreign exchange losses	89	6
Losses on derivative financial instruments	148	156
Other investment expenses	309	348
Net investment income	7,102	784

(Note) ¥9,486 million gains on valuation of securities for the fiscal year ended March 31, 2021 include ¥2,167 million reversal for gains on valuation of securities, while ¥6,214 million losses on valuation of securities include ¥5,428 million reversal for losses on valuation of securities.
 ¥5,831 million gains on valuation of securities for the fiscal year ended March 31, 2022 include ¥785 million reversal for gains on valuation of securities, while ¥8,186 million losses on valuation of securities include ¥7,319 million reversal for losses on valuation of securities.

e. Fair value information of securities

●Trading securities

<Individual variable insurance>

Millions of Yen

Classification	As of March 31, 2021		As of March 31, 2022	
	Balance sheet amount	Net valuation gains (losses) included in statement of income	Balance sheet amount	Net valuation gains (losses) included in statement of income
Trading securities	59,058	10,913	59,314	12,039

<Individual variable annuities>

Millions of Yen

Classification	As of March 31, 2021		As of March 31, 2022	
	Balance sheet amount	Net valuation gains (losses) included in statement of income	Balance sheet amount	Net valuation gains (losses) included in statement of income
Trading securities	65,603	6,533	48,847	4,178

●Fair value information of money held in trusts for trading

<Individual variable insurance>

Omitted as there are no ending balances for March 31, 2021 and 2022.

<Individual variable annuities>

Omitted as there are no ending balances for March 31, 2021 and 2022.

f. Fair value information of derivative transactions

●Breakdown of net gains (losses) (with and without hedge accounting applied)

<Individual variable insurance>

Millions of Yen

Classification	As of March 31, 2021						As of March 31, 2022					
	Interest-related	Currency-related	Stock-related	Bond-related	Others	Total	Interest-related	Currency-related	Stock-related	Bond-related	Others	Total
Hedge accounting applied	—	—	—	—	—	—	—	—	—	—	—	—
Hedge accounting not applied	—	—	20	—	—	20	—	1	(0)	—	—	0
Total	—	—	20	—	—	20	—	1	(0)	—	—	0

(Note) The net gains (losses) without hedge accounting applied are recorded on the statements of income.

<Individual variable annuities>

Millions of Yen

Classification	As of March 31, 2021						As of March 31, 2022					
	Interest-related	Currency-related	Stock-related	Bond-related	Others	Total	Interest-related	Currency-related	Stock-related	Bond-related	Others	Total
Hedge accounting applied	—	—	—	—	—	—	—	—	—	—	—	—
Hedge accounting not applied	—	—	28	—	—	28	—	0	107	—	—	107
Total	—	—	28	—	—	28	—	0	107	—	—	107

(Note) The net gains (losses) without hedge accounting applied are recorded on the statements of income.

●Interest-related

<Individual variable insurance>

Omitted as there are no ending balances for March 31, 2021 and 2022.

<Individual variable annuities>

Omitted as there are no ending balances for March 31, 2021 and 2022.

●Currency-related

<Individual variable insurance>

Millions of Yen

Classification	Type	As of March 31, 2021			As of March 31, 2022		
		Notional amount/ contract value	Fair value	Net gains (losses)	Notional amount/ contract value	Fair value	Net gains (losses)
Over-the-counter transactions	Foreign currency forward contracts						
	Sold	—	—	—	611	—	1
	(U.S. dollar)	—	—	—	300	—	2
	(Euro)	—	—	—	256	—	(1)
	(Australian dollar)	—	—	—	10	—	0
	(Canadian dollar)	—	—	—	9	—	0
	(British pound)	—	—	—	27	—	0
	(Norwegian krone)	—	—	—	2	—	(0)
	(Polish zloty)	—	—	—	2	—	(0)
	Bought	—	—	—	113	—	0
(U.S. dollar)	—	—	—	51	—	0	
(Euro)	—	—	—	61	—	0	
Total							1

(Note) Regarding assets and liabilities which are denominated in foreign currencies but have fixed settlement in yen under foreign currency forward contracts and are reported in yen amounts in the balance sheets, those foreign currency forward contracts are excluded from the table above.

<Individual variable annuities>

Millions of Yen

Classification	Type	As of March 31, 2021			As of March 31, 2022		
		Notional amount/ contract value	Fair value	Net gains (losses)	Notional amount/ contract value	Fair value	Net gains (losses)
Over-the-counter transactions	Foreign currency forward contracts						
	Sold	—	—	—	108	—	(0)
	(U.S. dollar)	—	—	—	34	—	(0)
	(Euro)	—	—	—	73	—	(0)
	Bought	—	—	—	108	—	0
	(U.S. dollar)	—	—	—	35	—	0
(Euro)	—	—	—	72	—	0	
Total							0

(Note) Regarding assets and liabilities which are denominated in foreign currencies but have fixed settlement in yen under foreign currency forward contracts and are reported in yen amounts in the balance sheets, those foreign currency forward contracts are excluded from the table above.

●Stock-related

<Individual variable insurance>

Millions of Yen

Classification	Type	As of March 31, 2021			As of March 31, 2022		
		Notional amount/ contract value	Fair value	Net gains (losses)	Notional amount/ contract value	Fair value	Net gains (losses)
Exchange-traded transactions	Stock index futures						
	Sold	—	—	—	294	—	(0)
	Bought	395	—	20	—	—	20
Total							(0)

<Individual variable annuities>

Millions of Yen

Classification	Type	As of March 31, 2021			As of March 31, 2022		
		Notional amount/ contract value	Fair value	Net gains (losses)	Notional amount/ contract value	Fair value	Net gains (losses)
Exchange-traded transactions	Stock index futures						
	Sold	—	—	—	—	—	—
	Bought	564	—	28	876	—	107
Total							107

●Bond-related

<Individual variable insurance>

Omitted as there are no ending balances for March 31, 2021 and 2022.

<Individual variable annuities>

Omitted as there are no ending balances for March 31, 2021 and 2022.

●Others

<Individual variable insurance>

Omitted as there are no ending balances for March 31, 2021 and 2022.

<Individual variable annuities>

Omitted as there are no ending balances for March 31, 2021 and 2022.

③ Separate Account for Group Annuities

a. Entrusted fund in separate account for group annuities

Billion of Yen

	As of March 31, 2021		As of March 31, 2022	
	Cases	Fair value balance	Cases	Fair value balance
First treaty	145.1	685.2	145.4	702.1
Total	145.1	685.2	145.4	702.1

(Notes) 1. Number of cases refers to the number of groups with positive fair value balance at each year-end.

2. Separate account first treaty involves joint management of the contract fund from more than one group annuities.

b. Trend of fair value balance of separate account first treaty

Billion of Yen

	As of March 31, 2021	As of March 31, 2022
Comprehensive account A	145.2	135.9
Comprehensive account M	91.4	145.4
Comprehensive account S	163.0	145.0
Yen-denominated bonds account A	91.6	91.7
Yen-denominated bonds account P	32.6	31.7
Yen-denominated stocks account A	3.0	3.5
Yen-denominated stocks account B	11.6	9.6
Yen-denominated stocks account E	—	1.5
Yen-denominated stocks account P	48.8	47.8
Yen-denominated stocks account V	1.5	2.6
Foreign currency denominated bonds account A	15.0	12.6
Foreign currency denominated bonds account B	11.2	9.4
Foreign currency denominated stocks account A	59.1	55.3
Foreign currency denominated stocks account D	1.8	1.2
Short-term funds account A	8.6	8.0
Total	685.2	702.1

c. Investment return ratio of separate account first treaty

%

	As of March 31, 2021	As of March 31, 2022
Comprehensive account A	27.35	7.12
Comprehensive account M	3.29	2.64
Comprehensive account S	0.72	(1.40)
Yen-denominated bonds account A	(0.41)	(0.96)
Yen-denominated bonds account P	(0.74)	(1.20)
Yen-denominated stocks account A	39.88	2.16
Yen-denominated stocks account B	49.37	(7.46)
Yen-denominated stocks account E	—	(2.97)
Yen-denominated stocks account P	42.06	1.95
Yen-denominated stocks account V	47.44	5.75
Foreign currency denominated bonds account A	5.47	1.91
Foreign currency denominated bonds account B	(1.89)	(5.21)
Foreign currency denominated stocks account A	58.22	24.02
Foreign currency denominated stocks account D	60.62	(11.41)
Short-term funds account A	0.00	0.00

(Notes) 1. Figures indicate the rate of increase in unit prices.

2. The figure for comprehensive account M is the rate of increase in unit prices from July 2020, as the management of the account started in July 2020.

3. The figure for yen-denominated stocks account E is the rate of increase in unit prices from October 2021, as the management of the account started in this month.

◆ Business Indicators

1 Average Policy Coverage (Individual Life Insurance)

Thousands of Yen

Classification	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Average policy coverage for new policies	4,276	3,952
Average policy coverage for policies in force	7,101	6,704

(Note) Average policy coverage for new policies excludes converted policies.

2 Percentage of New Policies (Compared with Beginning of the Same Fiscal Year)

%

Classification	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Individual life insurance	2.0	2.3
Individual annuities	3.0	2.7
Group insurance	0.2	0.3

(Note) Converted policies are excluded.

3 Rate of Cancellation and Expiration (Compared with Beginning of the Same Fiscal Year)

%

Classification	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Individual life insurance	3.6	3.8
Individual annuities	1.7	1.8
Group insurance	0.2	0.5

4 Average Annual Premium of New Individual Life Insurance Policy (With Monthly Payments)

Yen

Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
121,751	122,777

(Note) Converted policies are excluded.

5 Mortality Rate (Primary Individual Life Insurance Policies)

a. Number of policies

%

Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
8.45	9.46

b. Insurance amount

%

Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
6.12	7.06

6 Incidence of Events Covered by Riders (Individual Life Insurance plus Individual Annuities)

%

Classification		Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Accidental death	Ratio of the number of policies	0.20	0.24
	Ratio of the amount of claims on policies	0.23	0.28
Disability	Ratio of the number of policies	0.30	0.30
	Ratio of the amount of claims on policies	0.11	0.10
Hospitalization due to accident	Ratio of the number of policies	6.80	6.93
	Ratio of the amount of claims on policies	164	163
Hospitalization due to illness	Ratio of the number of policies	83.63	101.38
	Ratio of the amount of claims on policies	1,228	1,378
Hospitalization due to adult disease	Ratio of the number of policies	26.54	26.95
	Ratio of the amount of claims on policies	534	518
Surgery due to illness or injury	Ratio of the number of policies	80.78	84.91
Surgery due to adult disease	Ratio of the number of policies	28.24	32.34

7 Percentage of Operating Expense (Operating Expenses as a Percentage of Premium Revenues)

%

Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
15.1	15.5

8 The Number of Major Insurance Companies that Accepted Reinsurance Agreements

Number of insurance companies

Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
8	8
[2]	[2]

(Note) Figures in [] indicate third-sector insurances paid that stipulate no coverage by policy reserves in accordance with Article 71 of the Ordinance for Enforcement of the Insurance Business Act.

9 The Ratio of Reinsurance Premiums to Total Premiums Written by the Top Five Insurance Companies Using Reinsurance

%

Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
99.6	99.6
[100.0]	[100.0]

(Note) Figures in [] indicate third-sector insurances paid that stipulate no coverage by policy reserves in accordance with Article 71 of the Ordinance for Enforcement of the Insurance Business Act.

10 The Ratio of Insurance Companies Which Accepted Reinsurance Agreements by Ratings Assessed

%

Classification	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Over A-	100.0 [100.0]	100.0 [100.0]
Over BBB-	— [—]	— [—]
Others (Including no rating)	— [—]	— [—]
Total	100.0 [100.0]	100.0 [100.0]

(Notes) 1. Ratings are classified as follows:

a. S&P Global (S&P) ratings are used as criterion, while insurers without S&P ratings are classified as "Others (Including no rating)."

b. Ratings are based on the ratings at each fiscal year-end.

2. Figures in [] indicate third-sector insurances paid that stipulate no coverage by policy reserves in accordance with Article 71 of the Ordinance for Enforcement of the Insurance Business Act.

11 Unreceived Reinsurance Claims

Millions of Yen

Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
85	47
[3]	[8]

(Note) Figures in [] indicate third-sector insurances paid that stipulate no coverage by policy reserves in accordance with Article 71 of the Ordinance for Enforcement of the Insurance Business Act.

12 The Ratio of Insured Amount to Earned Premium Classified by Grounds for Third-Sector Insurance Benefits or Type of Insurance

%

Classification	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Third-sector incidence rate	35.9	38.2
Medical care	37.2	40.6
Cancer	38.2	39.1
Nursing care	31.4	30.9
Others	32.4	37.5

- (Notes) 1. Figures are classified into main categories belonging to the third-sector benefits, by type of insurance (or rider).
 2. Payments for insured incidents is the sum of "payments such as claims and benefits," "matching provision for reserve for outstanding claims" and "operating expenses, etc. related to claims paid."
 3. Earned premium is the simple average of annualized premium of the beginning-of-the-year policies in force and that of year-end policies in force.
 4. For the types of insurance (rider) that combine living benefits/medical coverage and death protection, etc., the portion corresponding to death protection is included in both payments for insured incidents and earned premiums.

13 Loan Interest Rates

%

Type of loan	General loans Prime rate (long-term prime rate loans)		Type of loan	General loans Prime rate (long-term prime rate loans)	
Fiscal year ended March 31, 2021	April 10	1.10	Fiscal year ended March 31, 2022	April 9	1.00
	May 8	1.05		May 11	1.00
	June 10	1.05		June 10	1.00
	July 10	1.05		July 9	1.00
	August 12	1.00		August 11	1.00
	September 10	1.00		September 10	1.00
	October 9	1.00		October 8	1.00
	November 10	1.00		November 10	1.00
	December 10	1.00		December 10	1.00
	January 8	1.00		January 12	1.00
	February 10	1.00		February 10	1.10
	March 10	1.00		March 10	1.10

Empowering your future



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