

Empowering your future



**Sumitomo Life Group's Initiatives under
“Policy Plan for Promoting Japan as a Leading Asset Management Center”**

Initiatives under “Policy Plan for Promoting Japan as a Leading Asset Management Center”

- ✓ As part of Sumitomo Life Group's Sustainability Management Policy, we commit to the principles of "contributing to the realization of a society of affluence, vitality, health, and longevity through sound operation and development of the insurance business" and "paying insurance claims are fundamental to the insurance industry, and to pay them correctly, promptly, and reliably we will strive to manage assets stably over the medium to long term and ensure a sound financial base."
- ✓ In addition, in order to achieve the goal of the Sumitomo Life Group Vision 2030 of being an "indispensable insurance group" that contributes to well-being, we aim to provide all stakeholders with the value of well-being.
- ✓ This management strategy is consistent with the direction of the “Policy Plan for Promoting Japan as a Leading Asset Management Center*” announced by the government. The Sumitomo Life Group will contribute to the promotion of Japan as a leading asset management center by driving forward the following initiatives.
 - * Under its "Policy Plan for Promoting Japan as a Leading Asset Management Center," the government has been taking various measures to achieve a “virtuous cycle of growth and distribution” in which Japan's household savings flow more into productive investment, and the benefits of increased corporate value are returned to households, leading to further private sector investment and consumption.

Providing products and services

- We will continue to expand our product lineup from the perspective of meeting our customers' wide-ranging asset-formation needs. Further, we will implement consulting on life plans and other products and deliver the most suitable insurance to our customers.

Initiatives for enhancing asset management capabilities

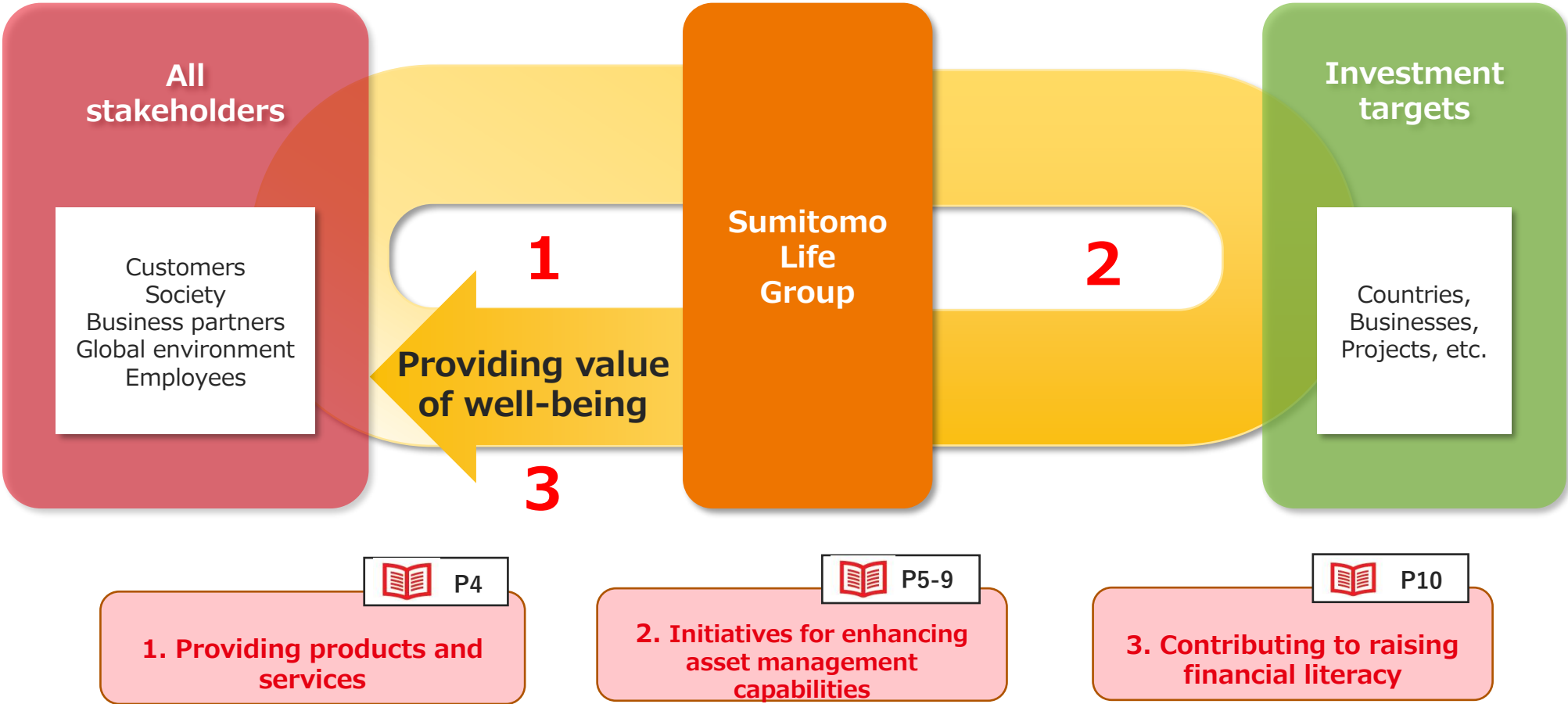
- We will continue with the following initiatives in order to provide attractive products that contribute to our customers' asset formation.
 - Expanding investments into diverse assets such as foreign assets and private assets that can be expected to improve profitability while also treating funding demands for realizing a sustainable society as investment opportunities and promoting more responsible investment.
 - We aim to further enhance dialogue with companies (stewardship activity) with the goal of improving the medium- to long-term corporate value of investee companies.
 - We will actively develop human capital from a strategic point of view.
 - We will establish a framework for finding excellent emerging asset managers and strive to cultivate them.

Contributing to raising financial literacy

- We will offer various financial literacy promotion seminars to working members of society (employees of businesses), the generation that will lead the future, and many other people, to support our customers' long-term asset formation.

➤ By promoting the three initiatives set out on the previous page, we will continue to play an important role in the investment chain and contribute to the creation of a virtuous economic cycle, while simultaneously providing the value of well-being to all stakeholders.

Creating a virtuous economic cycle and providing the value of well-being



- We are expanding our product lineup from the perspective of meeting customers' wide-ranging asset-formation needs, by providing savings products such as personal annuities with a capital guarantee and group annuity insurance and others.
- In our sales representatives channel, we will deliver the most suitable insurance to customers by utilizing the Future Diagnosis tool to simulate the total amount of assurance that matches customers' family structure and lifestyle.
- In our defined benefit corporate annuity plans (DB) and defined contribution annuity plans (DC), we will deliver products that meet asset-formation needs through consulting for our customers' annuity systems.



Products for individuals

Products for companies

Single premium insurance

Level premium insurance

Group annuity insurance

Principal products provided

[Whole life]

(Denominated in yen)

スミセイの



0年ごと利率配当付終身保険(一時払い)



(Denominated in foreign currency)



[Annuities]

(Denominated in yen/
foreign currency)



指数連動プラン



定率増加プラン

[Whole life]

(Denominated in yen)



スミセイの低解約返戻金型介護終身保険



(Denominated in foreign currency)



[Annuities]

(Denominated in yen)



(Denominated in foreign currency)



Defined benefit corporate annuity insurance [DB]

Life insurance general account

- Life insurance Separate Account
- Balance fund A・S・M
- Investment target separate account (Yen-denominated stocks fund & others)
- Package plans, etc.

Defined contribution annuity plans [DC]

- Sumitomo Life DC annuities 10-year NEO
- Various types of investment trusts: Domestic stocks, foreign stocks, balanced-type, foreign bonds, etc.

To be launched in April 2024

Initiatives for enhancing asset management capabilities—Investing in diverse assets

- From the perspective of enhancing profitability and strengthening risk control, we have expanded our investments beyond domestic ones to include foreign investments as well as private assets (unlisted assets), in order to provide attractive products that contribute to our customers' asset formation. At the same time, we are proactively engaging in responsible investment (asset management that considers sustainability) from the dual standpoints of improving profitability and offering solutions for social issues.
- Working towards the year 2030, in order to further enhance profitability and strengthen risk control, we will expand our investments into foreign assets, private assets, and other diverse assets that can be expected to improve profitability, while also expanding our investments into assets that can be expected to provide stable returns.
- In addition, we will treat funding demands for realizing a decarbonized, sustainable society as investment opportunities and engage even further with responsible investment while balancing the need for enhancing profitability. (Please refer to the [2023 Responsible Investment Report](#) for more details.)

Initiatives for enhancing asset management capabilities

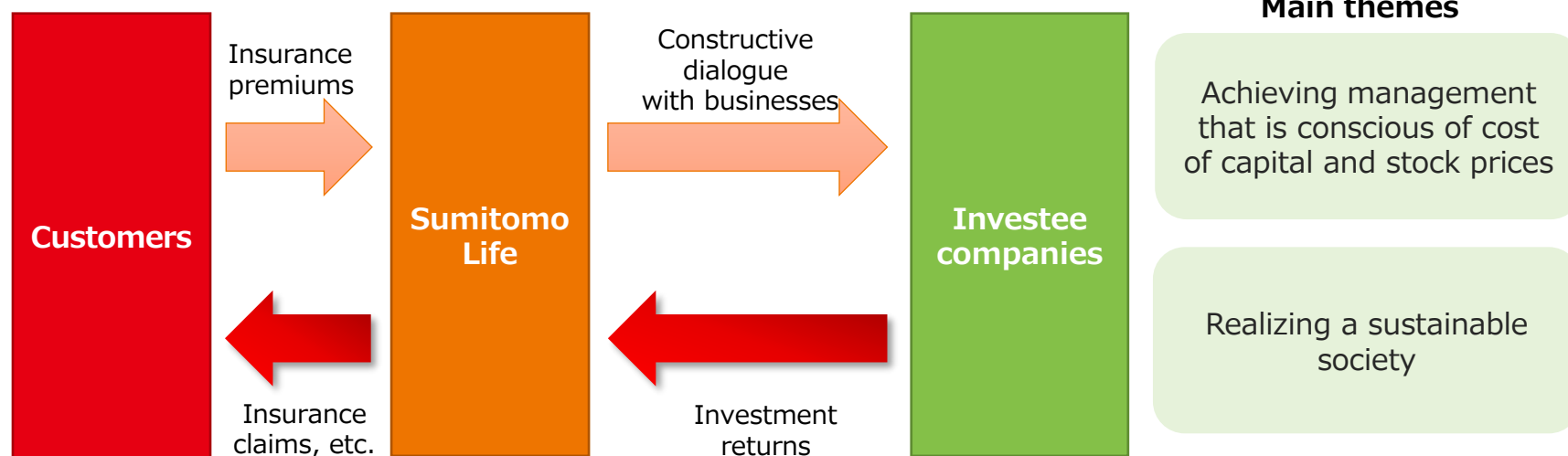


Initiatives for 2030

	Initiatives to date	Future initiatives
Foreign assets	Outsourcing the management of foreign bonds to US-based investment advisory firm Symetra and dispatching an investment team to them, and investing in foreign credit	Building a US stock portfolio and expanding portfolio investments
Private assets	Investing in infrastructure equity, private equity, and project financing	Expanding investments in diverse types of assets
Responsible investment	Integration, negative screening, engagement activity, and ESG thematic investments	Promoting the creation of impacts that solve social issues and carrying out impact measurement and disclosure

- We aim to achieve medium- to long-term corporate value improvement of our investee companies by engaging in dialogue to promote measures that will lead to management that is conscious of cost of capital and stock prices, and dialogue to support initiatives to realize a decarbonized and sustainable society.
- As part of this dialogue process, we engage independently as well as through collaborative engagement involving other investors.

Stewardship activity (dialogue with businesses)



Collaborative engagement (examples)



- ✓ Adopting the Climate Action 100+ initiative for reducing greenhouse gas emissions through engagement activity with businesses
- ✓ Utilizing the Life Insurance Association of Japan stewardship activity working group

- In order to become an “indispensable insurance group” that contributes to well-being as described in the Sumitomo Life Group Vision 2030, it is critical that we speed up initiatives for enhancing profitability and solving social issues in the area of asset management. The responsibility for this lies in the hands of each of our employees.
- Thus, we will strategically identify areas of expertise for human capital development and implement thorough initiatives to raise competencies essential to those areas. Further, with the goal of enhancing profitability, we will continue with initiatives for promoting DE&I (diversity, equity, and inclusion) to generate diverse perspectives as well as initiatives to promote the adoption of big data, generative AI and other IT technologies to support human decision-making.

Human capital development based on long-term strategy

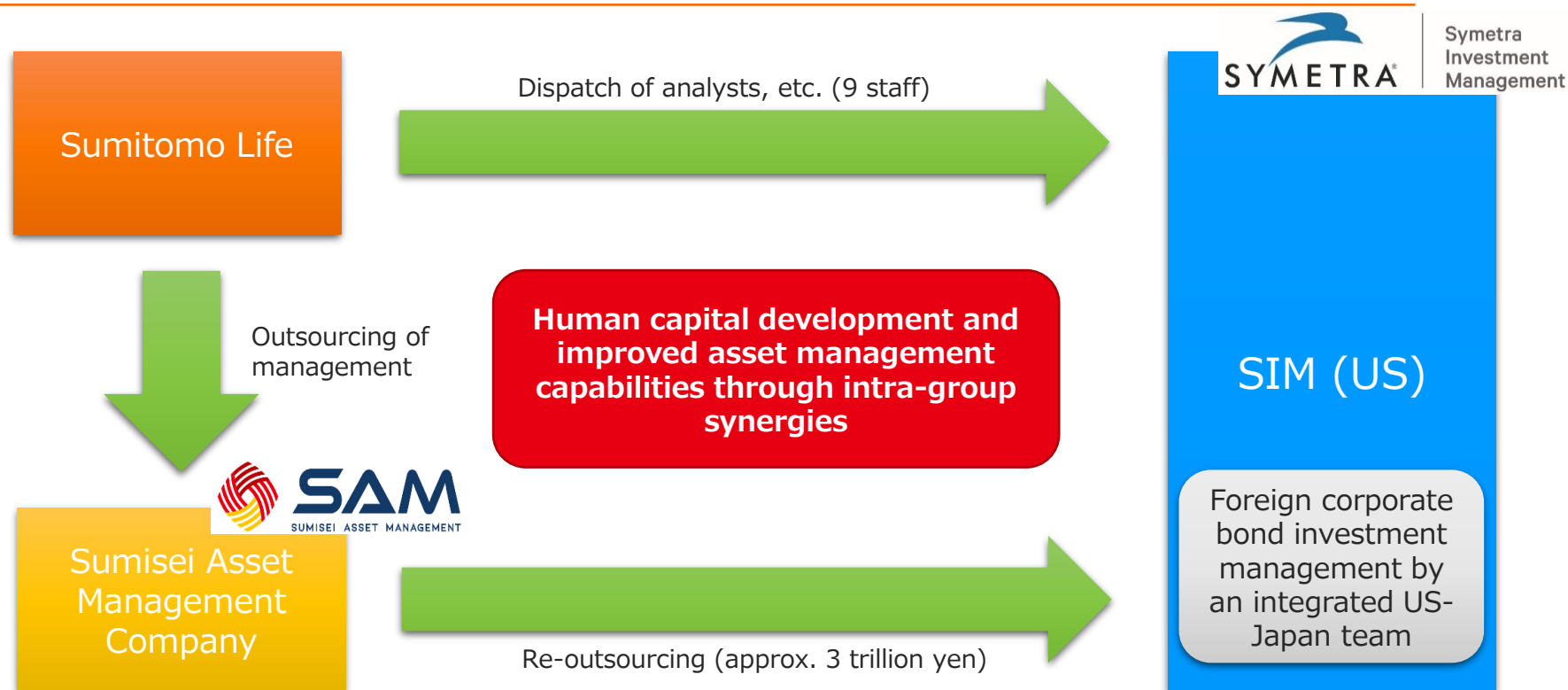
- **Future-oriented human capital development**
 - ✓ Hiring dedicated to specialized asset management courses
 - ✓ Overseas secondments (see next page)
- **Human capital development perspectives**
 - ✓ Promoting DE&I
 - ✓ Promoting the adoption of IT technologies

Placing human capital
in strategic
investment areas

- **Strategic investment areas as we look toward 2030**
 - ✓ Foreign assets
 - ✓ Private assets
 - ✓ Responsible investment

- Along with the outsourcing of foreign corporate bond investment management to SIM (Symetra Investment Management Company) in FY2022, an asset management subsidiary of our US subsidiary Symetra, a total of nine corporate bond analysts and portfolio managers have been seconded to SIM. They, together with the well-experienced local asset managers, have formed an integrated US-Japan team, and are engaged in human capital development. Improvements in investment profitability have been achieved as a result of improved individual bond analysis capabilities and expanded investment bond targets.
- Further, efforts are under way to expand the range of target assets for investment by leveraging US-based SIM's management capabilities.

Outsourcing of foreign corporate bond investment management and dispatch of investment team to SIM



- We will outsource to asset managers that have demonstrated advanced asset management. In selecting asset managers, we base our decisions on the outcome of due diligence covering asset management framework, compliance framework, track record, and other factors.
- Separately, we have in the past subcontracted to emerging asset managers without a track record (50 billion yen in aggregate) in cases where we have judged them to have an excellent investment team, after ascertaining their corporate policies and philosophy. Since there are cases where emerging asset managers are actively working on new asset management fields and methods, we will set up a framework to discover excellent asset managers and work to develop them.
- Further, we will continue to invest in venture capital funds, including the SUMISEI INNOVATION FUND, our corporate venture capital fund.

Case studies of investments in emerging asset managers

Case study	Background leading to the decision to invest
1. Domestic stock engagement investment fund	✓ Although the company had less than a year's track record since its establishment, an investment was made based on the fund manager's track record in their previous job and the investment team's abundant experience.
2. Domestic private debt fund	✓ Although the company had a short history and there was no track record as it was their first fund under the new strategy, an investment was made based on the fund manager's abundant experience in forming investment projects.
3. Global macro strategy hedge fund	✓ Although the company was newly established and lacked track record, an investment was made based on the fund manager's cumulative asset management experience and a qualitative assessment of their past investment decisions.
4. Foreign project finance debt fund	✓ Although the outsourcing investment management company lacked a track record with the fund, an investment was made based on the abundant prior investment experience of the fund manager and other individuals in relation to the asset, as well as the establishment of a structure that leverages the capabilities of financial institutions with experience in forming investment projects.

- We will offer various financial literacy promotion seminars to working members of society (employees of businesses), the generation that will lead the future, and many other people, to support our customers' long-term asset formation and autonomous asset formation for each generation.

For working members of society

Seminar content	Detailed seminar content
Life plan seminar	<ul style="list-style-type: none"> ○ Getting motivated to design a lifestyle ○ Getting motivated about asset formation (Learn about taxes, social insurance, etc.)
Second life seminar	<ul style="list-style-type: none"> ○ Preparing for life after mandatory retirement (Social insurance, taxes, household budgeting, etc. after mandatory retirement)
DC investment training seminar	<ul style="list-style-type: none"> ○ Getting motivated to design asset formation ○ Acquiring investment-related knowledge (Training on how to invest after becoming eligible for DC. Acquire basic necessary knowledge about asset formation)

For the generations of the future

<p style="text-align: center;">Lectures for university undergraduates</p>	<p>We host lectures for students at several universities with a view to promoting understanding of insurance-related knowledge. At these lectures, various experts on our company's product development share insights on topics that allow students to learn about insurance and other kinds of financial information.</p>
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<p style="text-align: center;">Visiting lecture for junior high and high school students</p>	<p>We host on-site financial training classes that mainly target junior high and high school students to support the future generation in acquiring the abilities needed to adapt to society, envisioning their dreams, having diverse choices for their future, and living according to their personal sense of well-being.</p>
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