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## Financial Results for the Nine Months Ended December 31, 2023

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Sumitomo Life Insurance Company announces financial results for the nine months ended December 31, 2023.

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### [Note]

The Financial Results are summarized English translations of the original disclosure in Japanese.

# 1. Unaudited Consolidated Financial Statements

## a. Unaudited Consolidated Balance Sheets

(Millions of Yen)

	As of March 31, 2023	As of December 31, 2023
<b>ASSETS:</b>		
Cash and deposits	1,565,736	1,528,282
Call loans	847,388	388,366
Monetary claims bought	407,646	575,029
Money held in trust	14,990	18,013
Securities	33,598,005	36,588,317
Loans	3,175,130	3,443,802
Tangible fixed assets	598,313	658,939
Intangible fixed assets	234,084	242,513
Due from agents	151	161
Reinsurance receivables	12,480	28,544
Other assets	1,588,901	1,870,948
Net defined benefit assets	35,837	36,471
Deferred tax assets	588,114	478,997
Allowance for possible loan losses	(4,373)	(4,778)
<b>Total assets</b>	<b>42,662,408</b>	<b>45,853,609</b>
<b>LIABILITIES:</b>		
Policy reserves and other reserves	35,233,129	36,681,128
Reserve for outstanding claims	169,352	187,834
Policy reserves	34,848,109	36,264,891
Policyholders' dividend reserves	215,667	228,402
Reinsurance payables	12,643	44,569
Corporate bonds	428,417	332,903
Other liabilities	5,361,612	6,767,277
Net defined benefit liabilities	4,133	7,031
Reserve for price fluctuation	849,771	889,792
Deferred tax liabilities	5	29
Deferred tax liabilities for land revaluation	12,466	12,430
<b>Total liabilities</b>	<b>41,902,180</b>	<b>44,735,162</b>
<b>NET ASSETS:</b>		
Foundation funds	-	50,000
Reserve for redemption of foundation funds	639,000	639,000
Reserve for revaluation	2	2
Surplus	155,000	131,794
Total funds, reserve and surplus	794,002	820,796
Net unrealized gains (losses) on available-for-sale securities	5,564	292,833
Deferred gains (losses) on derivatives under hedge accounting	(13,063)	(40,217)
Land revaluation differences	(59,645)	(56,600)
Foreign currency translation adjustments	28,216	96,651
Remeasurements of defined benefit plans	5,005	4,831
Total accumulated other comprehensive income	(33,921)	297,498
Non-controlling interests	147	151
<b>Total net assets</b>	<b>760,227</b>	<b>1,118,446</b>
<b>Total liabilities and net assets</b>	<b>42,662,408</b>	<b>45,853,609</b>

## b. Unaudited Consolidated Statements of Income

(Millions of Yen)

	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Ordinary income	3,294,484	3,191,047
Insurance premiums and other	1,974,976	2,015,042
Investment income	1,236,550	1,108,090
Interest, dividends and other income	717,278	812,733
Gains on money held in trust	61	1,582
Gains on trading securities	-	11,120
Gains on sales of securities	296,231	118,689
Investment gains on separate accounts	-	63,055
Other ordinary income	82,957	67,914
Ordinary expenses	3,232,351	3,109,625
Benefits and other payments	1,620,005	1,693,866
Claims paid	439,950	443,591
Annuity payments	307,645	307,331
Benefits payments	401,423	356,286
Surrender benefits	425,174	400,622
Provision for policy reserves and other reserves	481,233	534,963
Provision for reserve for outstanding claims	19,689	11,767
Provision for policy reserves	461,523	523,176
Provision for interest on policyholders' dividend reserves	20	19
Investment expenses	642,372	362,079
Interest expenses	21,520	42,342
Losses on trading securities	81,925	-
Losses on sales of securities	248,555	71,263
Losses on valuation of securities	6,459	7,919
Investment losses on separate accounts	36,170	-
Operating expenses	359,709	384,647
Other ordinary expenses	129,031	134,067
Ordinary profit	62,133	81,422
Extraordinary gains	80,767	1,399
Gains on disposals of fixed assets	528	1,399
Reversal of reserve for price fluctuation	80,239	-
Extraordinary losses	2,947	41,168
Losses on disposals of fixed assets	621	337
Impairment losses	1,694	180
Provision for reserve for price fluctuation	-	40,020
Payments to social responsibility reserve	631	629
Surplus (loss) before income taxes	139,952	41,653
Income taxes		
Current	16,073	1,506
Deferred	15,768	3,235
Total income taxes	31,842	4,742
Net surplus (loss)	108,109	36,911
Net surplus (loss) attributable to non-controlling interests	4	4
Net surplus (loss) attributable to the Parent Company	108,105	36,906

# c. Unaudited Consolidated Statements of Comprehensive Income

(Millions of Yen)

	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Net surplus (loss)	108,109	36,911
Other comprehensive income (loss)	(1,331,804)	328,375
Net unrealized gains (losses) on available-for-sale securities	(1,425,947)	283,232
Deferred gains (losses) on derivatives under hedge accounting	(13,921)	(27,153)
Foreign currency translation adjustments	96,087	57,044
Remeasurements of defined benefit plans	(1,057)	(174)
Share of other comprehensive income (loss) of associates under the equity method	13,033	15,426
Comprehensive income (loss)	(1,223,694)	365,287
Comprehensive income (loss) attributable to the Parent Company	(1,223,699)	365,282
Comprehensive income (loss) attributable to non-controlling interests	4	4

## **Notes to the Unaudited Consolidated Financial Statements**

### **Policies of Presenting the Unaudited Consolidated Financial Statements for the Nine Months Ended December 31, 2023**

1. Consolidated subsidiaries

The number of consolidated subsidiaries was 28 as of December 31, 2023.

PREVENT Inc. was included in the scope of the consolidation as a result of its share acquisition from the period ended December 31, 2023.

2. Affiliates

The number of affiliates under the equity method was 9 as of December 31, 2023.

One subsidiary of Singapore Life Holdings Pte. Ltd. was excluded from affiliates under the equity method due to completion of liquidation from the period ended December 31, 2023.

## Notes to the Unaudited Consolidated Balance Sheet as of December 31, 2023

1. SUMITOMO LIFE INSURANCE COMPANY ("the Company")'s assets and liabilities denominated in foreign currencies, except for investments in unconsolidated subsidiaries and affiliates, are translated into Japanese yen at the exchange rate on the balance sheet date. Investments in unconsolidated subsidiaries and affiliates are translated into Japanese yen at the exchange rates on the dates of acquisition.
2. Regarding reserve for incurred but not reported (IBNR) claims for individual life insurance and individual annuity contracts, the Company recognized claims with which incidents prescribed in policy clauses already incurred but were not reported to the Company. After May 8, 2023, the Company ceased the special treatment of paying hospitalized benefits to those who were diagnosed with COVID-19 and recovering at designated hotels or home under medical observations (hereafter "deemed hospitalization"). As a result, the Company calculated the relevant reserve for IBNR claims at the end of the fiscal year using the proviso, instead of the main clause of Article 1, Paragraph 1 of Ministry of Finance Notification No. 234 in 1998 ("IBNR Notification"), because the reserve amount could not be calculated at an appropriate level based on the main clause of that article due to ending of the special treatment described above.

The Company excluded the amounts which were related to deemed hospitalization from the reserve for IBNR claims and benefit payments for all fiscal years stipulated by the main clause of Article 1, Paragraph 1 of the IBNR Notification, and then calculated the reserve for IBNR claims using the same calculation method as the main clause of Article 1, Paragraph 1 of the IBNR Notification.

As for the previous fiscal year-end, the Company excluded the amounts of reserve for IBNR claims and benefit payments which were related to deemed hospitalization, except for those with high risks of severity. However, due to cessation of the special treatment of hospitalized benefits for deemed hospitalization for the period ended June 30, 2023, the Company revised the calculation method as it could exclude the amounts related to deemed hospitalization.

3. Securities loaned under security lending agreements amounted to ¥4,940,340 million as of December 31, 2023.
4. Changes in policyholders' dividend reserves for the period ended December 31, 2023 were as follows:

	Millions of Yen
At the beginning of the period	215,667
Transfer from surplus in the previous fiscal year	57,067
Dividend payments to policyholders during the period	44,352
Interest accrued during the period	19
At the end of the period	228,402

5. The Company had entered into an agreement with Aviva Group Holdings Limited (hereinafter "Aviva") to acquire Aviva's stake in Singapore Life Holdings Pte. Ltd. (hereinafter "Singlife") in the period ended September 30, 2023 and with TPG Inc. to acquire TPG's stake in Singlife in the period ended December 31, 2023, which the transaction is with Abbey Life Holdings Ltd, owned by TPG Inc..

By this transaction, Singlife is expected to become a subsidiary of the Company.

The Company plans to acquire all the remaining shares from other Singlife shareholders under the same terms as this transaction, making Singlife a wholly owned subsidiary of the Company.

1) Background and Purpose of the Transaction

The Company has seen Singapore as a key market within its overall Asia strategy and supported Singlife to expand its footprint as a long-term strategic investor since the Company's initial investment in 2019.

Singlife has been steadily expanding its business by taking advantage of the strengths of its own digital enabled business model since its foundation, as well as the acquisition of Aviva's Singapore business in 2020, and became one of the leading life insurance companies in Singapore with a diverse range of products and sales channels.

Singlife has also extended its business into the Philippines as part of its expansion in Asia.

Based on these achievements and growth potential, as well as the good relationship between the Company and Singlife which has been built so far, the Company decided to make Singlife a subsidiary.

2) Outline of Singlife

a. Name

Singapore Life Holdings Pte. Ltd.

b. Business description

Insurance and insurance related business \*1

\*1 Singlife is a holding company and its subsidiaries operate insurance business, etc.

c. Total assets (consolidated basis, as of December 31, 2022)

SGD 14,372 million

d. Premiums (consolidated basis, for the fiscal year ended December 31, 2022)

SGD 3,480 million

3) Schedule of acquisition of shares, etc.

It is anticipated that the transaction will close in the 4th quarter of the fiscal year ending March 31, 2024.

The purchase price is approximately SGD 3,200 million (approximately ¥350 billion), and we will utilize our cash and deposits for the acquisition.

The acquisition will be subject to closing conditions, including regulatory approval.

6. The Company offered foundation funds in the amount of ¥50,000 million pursuant to Article 60 of the Insurance Business Act.

7. On January 18, 2024, the Company issued foreign currency-denominated subordinated bond of

¥151,665 million, the repayment of which are subordinated to other obligations.

8. Other assets and other liabilities included assets and liabilities related to the modified coinsurance in U.S. subsidiary of ¥710,576 million and ¥618,837 million as of December 31, 2023, respectively.



## **Notes to the Unaudited Consolidated Statement of Income for the Nine Months Ended December 31, 2023**

1. The amount of depreciation of tangible fixed assets, including real estates for investments, was ¥35,766 million and the amount of amortization of goodwill was ¥8,301 million for the period ended December 31, 2023.

## 2. Solvency Margin Ratio on a Consolidated Basis

(Millions of Yen)

	As of March 31, 2023	As of December 31, 2023
Solvency margin gross amount (A)	3,597,472	3,907,843
Foundation funds and others	548,883	588,608
Reserve for price fluctuation	849,771	889,792
Contingency reserve	756,736	765,674
Unusual contingency reserve	—	—
General allowance for possible loan losses	4,123	4,524
(Net unrealized gains (losses) on available-for-sale securities (before income tax effect adjustments) and deferred gains (losses) on derivatives under hedge accounting (before income tax effect adjustments)) × 90% (Multiplied by 100% if losses)	32,194	379,284
Net unrealized gains on real estate × 85% (Multiplied by 100% if losses)	140,574	140,459
Total amount of unrecognized actuarial gains (losses) and unrecognized past service costs	6,942	6,700
Excess of continued Zillmerized reserve	779,854	780,108
Qualifying subordinated debt	566,510	467,030
Excess of continued Zillmerized reserve and qualifying subordinated debt not included in margin calculation	—	—
Deduction clause	(196,176)	(223,854)
Others	108,056	109,514
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)	1,059,629	1,341,334
Insurance risk $R_1$	99,759	106,027
General insurance risk $R_5$	—	—
Large disaster risk $R_6$	0	0
Third-sector insurance risk $R_8$	95,565	102,486
Insurance risk of small-amount, short-term insurer $R_9$	9	9
Risk of assumed yield $R_2$	175,797	180,951
Minimum guarantee risk $R_7^{\text{※}}$	8,134	9,393
Investment risk $R_3$	832,861	1,104,241
Operational risk $R_4$	24,242	30,062
Solvency margin ratio $\frac{(A)}{(1/2) \times (B)} \times 100$	679.0%	582.6%

※ 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.

### 3. Non-Consolidated Financial Information (General Account)

#### a. Overall Composition of Investments

(Millions of Yen, %)

	As of March 31, 2023		As of December 31, 2023	
	Amount	% of total	Amount	% of total
Cash, deposits and call loans	2,076,849	6.0	1,558,443	4.3
Monetary claims bought	407,646	1.2	575,029	1.6
Money held in trust	14,990	0.0	18,013	0.0
Investments in securities	28,225,231	81.7	30,362,268	83.5
Domestic bonds	14,976,500	43.3	14,612,098	40.2
Domestic stocks	2,322,637	6.7	2,907,031	8.0
Foreign securities	10,582,451	30.6	12,410,804	34.1
Foreign bonds	8,370,096	24.2	9,572,570	26.3
Other foreign securities	2,212,355	6.4	2,838,233	7.8
Other securities	343,641	1.0	432,334	1.2
Loans	2,198,274	6.4	2,237,220	6.2
Policy loans	234,873	0.7	228,669	0.6
Industrial and consumer loans	1,963,401	5.7	2,008,550	5.5
Real estate	588,024	1.7	644,736	1.8
Investment property	403,356	1.2	469,848	1.3
Deferred tax assets	493,008	1.4	361,720	1.0
Other assets	547,963	1.6	609,025	1.7
Allowance for possible loan losses	(867)	(0.0)	(792)	(0.0)
Total	34,551,122	100.0	36,365,665	100.0
Foreign currency denominated assets	9,754,013	28.2	11,195,227	30.8

Note: Real estate is recorded as the sum total of land, buildings and construction in progress.

## b. Fair Value Information of Securities (Except for Trading Securities)

(Millions of Yen)

	As of March 31, 2023					As of December 31, 2023				
	Book value	Fair value	Net gains (losses)	Gains	Losses	Book value	Fair value	Net gains (losses)	Gains	Losses
Held-to-maturity debt securities	1,531,156	1,729,570	198,413	198,537	(124)	1,812,037	2,006,155	194,117	199,717	(5,600)
Policy-reserve-matching bonds	13,192,905	13,610,612	417,707	975,068	(557,360)	13,678,316	13,597,680	(80,635)	750,960	(831,596)
Investments in subsidiaries and affiliated companies	53,077	45,626	(7,451)	-	(7,451)	53,077	39,077	(13,999)	412	(14,412)
Available-for-sale securities	12,881,722	13,250,150	368,428	1,303,032	(934,604)	13,877,843	14,700,460	822,616	1,739,237	(916,620)
Domestic bonds	3,025,881	2,833,870	(192,011)	34,902	(226,913)	2,571,159	2,305,062	(266,097)	39,458	(305,555)
Domestic stocks	1,065,125	2,118,405	1,053,280	1,084,853	(31,573)	1,324,890	2,698,904	1,374,013	1,404,012	(29,998)
Foreign securities	7,703,747	7,207,489	(496,257)	160,382	(656,640)	8,673,995	8,370,121	(303,873)	257,717	(561,590)
Foreign bonds	6,159,486	5,788,664	(370,822)	95,914	(466,736)	6,633,679	6,389,251	(244,427)	140,972	(385,399)
Other foreign securities	1,544,260	1,418,824	(125,435)	64,468	(189,903)	2,040,316	1,980,870	(59,446)	116,744	(176,190)
Other securities	248,157	251,419	3,261	19,658	(16,396)	282,379	304,396	22,017	35,862	(13,844)
Monetary claims bought	296,510	296,712	201	3,236	(3,034)	474,518	471,120	(3,397)	2,187	(5,585)
Negotiable certificates of deposit	542,300	542,253	(46)	-	(46)	550,900	550,854	(45)	-	(45)
Others	-	-	-	-	-	-	-	-	-	-
Total	27,658,862	28,635,959	977,097	2,476,638	(1,499,540)	29,421,275	30,343,374	922,098	2,690,328	(1,768,230)
Domestic bonds	15,168,512	15,536,037	367,524	1,016,901	(649,376)	14,878,195	14,659,001	(219,194)	783,101	(1,002,295)
Domestic stocks	1,065,964	2,118,958	1,052,994	1,084,853	(31,858)	1,325,730	2,700,156	1,374,425	1,404,424	(29,998)
Foreign securities	10,337,417	9,890,578	(446,838)	351,989	(798,828)	11,909,552	11,657,844	(251,707)	464,752	(716,460)
Foreign bonds	8,740,918	8,426,680	(314,237)	287,521	(601,758)	9,816,997	9,639,148	(177,849)	348,008	(525,857)
Other foreign securities	1,596,499	1,463,897	(132,601)	64,468	(197,069)	2,092,554	2,018,696	(73,858)	116,744	(190,603)
Other securities	248,157	251,419	3,261	19,658	(16,396)	282,379	304,396	22,017	35,862	(13,844)
Monetary claims bought	296,510	296,712	201	3,236	(3,034)	474,518	471,120	(3,397)	2,187	(5,585)
Negotiable certificates of deposit	542,300	542,253	(46)	-	(46)	550,900	550,854	(45)	-	(45)
Others	-	-	-	-	-	-	-	-	-	-

Note: 1. The table above includes securities that are deemed appropriate as securities under the Financial Instruments and Exchange Act in Japan.

2. Book values of stocks, etc. without quoted market price are excluded from the table above.

### Book values of stocks, etc. without quoted market price are as follows:

(Millions of Yen)

	As of March 31, 2023	As of December 31, 2023
Investments in subsidiaries and affiliated companies	789,941	822,185
Available-for-sale securities	198,522	249,770
Domestic stocks	21,414	22,818
Foreign stocks	34,558	34,558
Others	142,548	192,392
Total	988,463	1,071,956

### c. Fair Value Information of Money held in trust

(Millions of Yen)

	As of March 31, 2023					As of December 31, 2023				
	Balance sheet amount	Fair value	Net gains (losses)			Balance sheet amount	Fair value	Net gains (losses)		
				Gains	Losses				Gains	Losses
Money held in trust	14,990	14,990	-	-	-	18,013	18,013	-	-	-

### Money held in trust for trading

(Millions of Yen)

	As of March 31, 2023		As of December 31, 2023	
	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 trust for trading	14,990	28	18,013	893

### Money held in trust except for trading

No money held in trust except for trading as of March 31, 2023 and December 31, 2023.