ANNUAL REPORT 2023

Empowering your future

SUMITOMO LIFE

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.

Empowering your future

SUMITOMO LIFE

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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, 2022 to March 31, 2023
(Some activities performed on or after April 1, 2023 are covered.)
Organizations: Sumitomo Life Insurance Company and its subsidiaries and associates

Issued in:

July 2023(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

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.

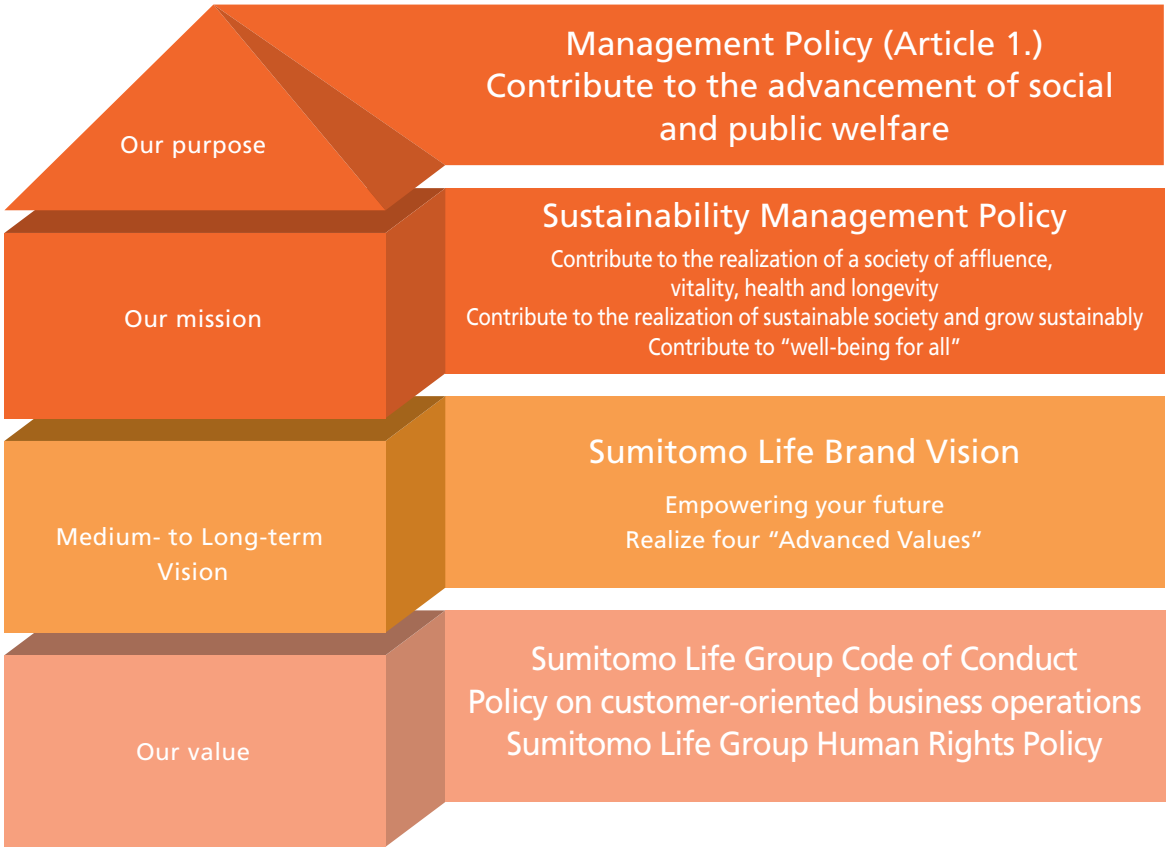
It is what Sumitomo Life has continued ceaselessly to do since its founding. Sumitomo's Business Philosophy, which includes "*Jiri-rita, koushi-ichinyo,*" or "Benefit self and benefit others, private and public interests are one and the same," which tells you to benefit society as well as yourself, has 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".

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.



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.

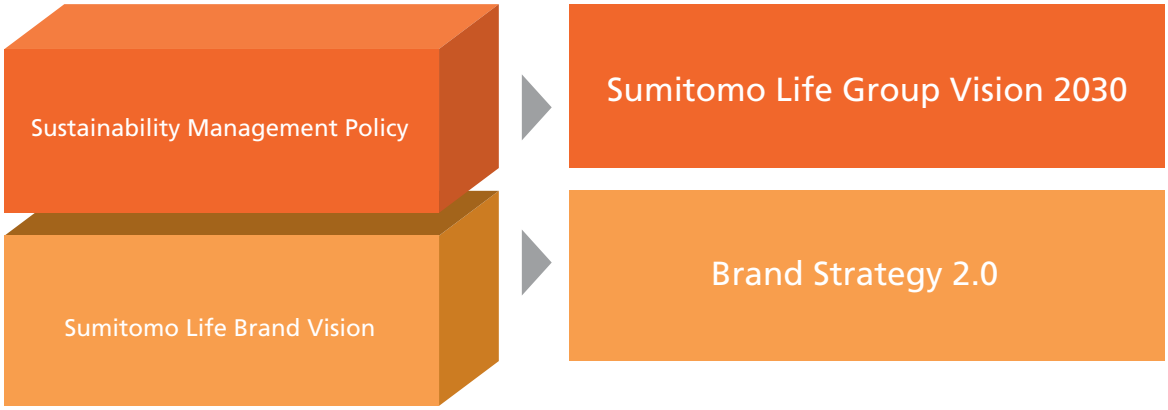
Sumitomo Life Brand Vision

"Create an ideal life insurance company." From this founding commitment, Sumitomo Life was born. Over the hundred years since then, Sumitomo Life has continued to move forward with the trust of "Sumitomo" and a sense of mission to "protect customers' lives." The vision that we have been pursuing 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.

To be responsible for creating genuine value that leads to a strong future for our customers and a new standard that is truly valuable to society. This is possible only because Sumitomo Life has continued to challenge and innovate beyond the boundaries of major life insurance companies over its more than 100-year history.

Under the slogan of "empowering your future," we will continue to take on the challenge of making Sumitomo Life a more attractive company for our customers and society, and a company in which employees are even more proud of their involvement in its tasks.

Medium- to Long-term Visions for Realization of Operating Policy



Formulation of Sumitomo Life Group Vision 2030

The business and internal environments surrounding the Sumitomo Life Group continue to change at an accelerating pace.

Against this background, in March 2023, we established "Sumitomo Life Group Vision 2030," which sets the year 2030 as an end point for the realization of our mission, the "Sustainability Management Policy," as we believe it is important to clarify our medium- to long-term vision.

Our vision for 2030 is to become an "indispensable insurance group" that contributes to well-being, and we have clarified our goal to be a leading company in the area of well-being services. The Sumitomo Life Group will not only provide the value of life insurance, but will further expand its scope to contribute to stakeholders in various ways.

One example is SUMITOMO LIFE Vitality Shared-Value Insurance launched in 2018, which adds the new value of health enhancement to the original value of insurance, which is to protect against risk.

Now, we are taking it a step further and expanding the WaaS (Well-being as a Service) ecosystem, including the non-insurance domain, by developing the value of well-being with SUMITOMO LIFE Vitality at its core, not independently but in collaboration with various business partners.

Moreover, to help future generations live better lives, we will address issues surrounding society and the global environment, including the urgent issue of climate change and respecting human rights from the perspective of "business and human rights."

In addition to proactively addressing various social issues, we will promote initiatives that support the well-being of all stakeholders – customers, society, business partners, the global environment, and employees – and aim to realize a sustainable future by contributing to "well-being."

Deployment of Brand Strategy 2.0

Since 2011, we have deployed a "Brand Strategy" to realize our brand vision, and have been working to continue to deliver security and value to our customers and society with the ability to protect tradition and pursue innovation, with the message of "empowering your future." In the midst of these efforts, our revolutionary product, SUMITOMO LIFE Vitality Shared-Value Insurance, has been subscribed by more than 1 million customers since its launch and has been recognized with various awards, truly becoming a "new standard."

In 2021, 10 years after its launch, the Company launched Brand Strategy 2.0, which contributes to "well-being for all." In order to contribute to the well-being of our customers and society, we held "Brand Live," an online inner event in which all 40,000 employees nationwide connected simultaneously for the first time to learn about well-being for themselves and to confirm the value of well-being with each other.

In addition, we are taking the opportunity of the relocation of our Tokyo Head Office to Yaesu to strengthen ties among employees and further spread the value of well-being to customers and society under the keywords "Connect, Expand, Move on – Challenge ∞ Change –."

Starting in fiscal 2023, we will continue to create value with the ability to protect tradition and pursue innovation, always aiming to be one step ahead as we move toward 2026, the 100th anniversary of Sumitomo Life's company name. In addition, we will further evolve our contribution to the well-being of our customers and society while constantly pursuing "new values," such as customer service in the era of the 100-year lifespan.

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 2023

Formulation of Sumitomo Life Group Vision 2030

Formulation of Sumitomo Life Medium-Term Business Plan 2025

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, and in 2023, we established the "Sumitomo Life Group Vision 2030" with the year 2030 as an end point to realize this policy.

The challenge we are faced with 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.

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

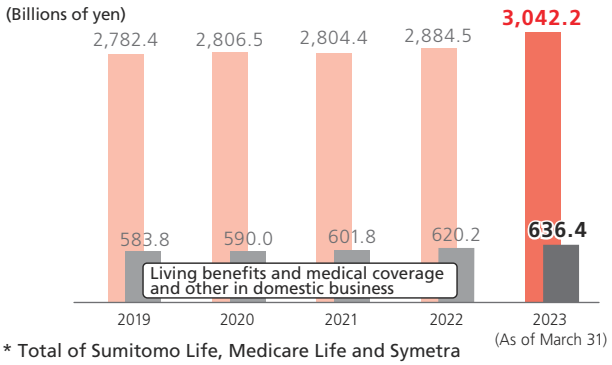
SUMITOMO LIFE Vitality

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."

Financial and Non-financial Highlights

Group Annualized Premiums from Policies in Force



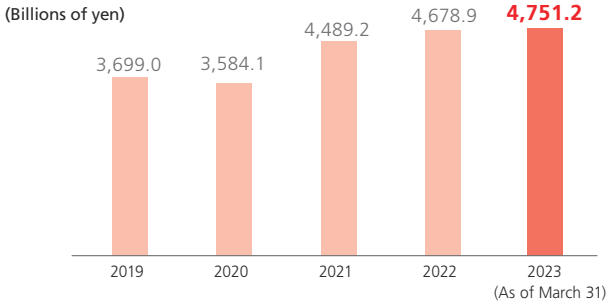
* Total of Sumitomo Life, Medicare Life and Symetra

Annualized premiums from policies in force for the Group as of March 31, 2023 amounted to ¥3,042.2 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 2.6% compared to the end of the previous fiscal year to ¥636.4 billion, growing steadily for twenty consecutive years since we started to publish such figures.

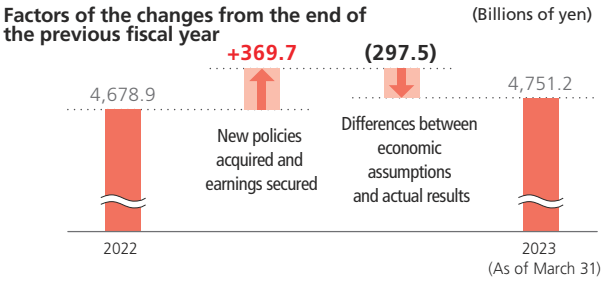
We believe that these are the results of our effort to offer insurance products and services through multiple channels, including sales representatives, bancassurance-banks, financial institutions, etc. and insurance outlets while responding to the changing social environment and diversifying customer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



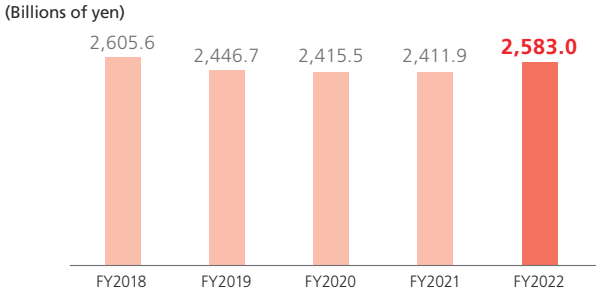
The Sumitomo Life Group's EEV increased by ¥72.2 billion compared to the end of the previous fiscal year due to the positive results of the insurance business such as new policies acquired and earnings secured from policies in force, despite the negative impact of rising overseas interest rates and other factors.



* The EEV of the Sumitomo Life Group is calculated as follows: Sumitomo Life's EEV plus Medicare Life's EEV and Symetra's EEV, 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.

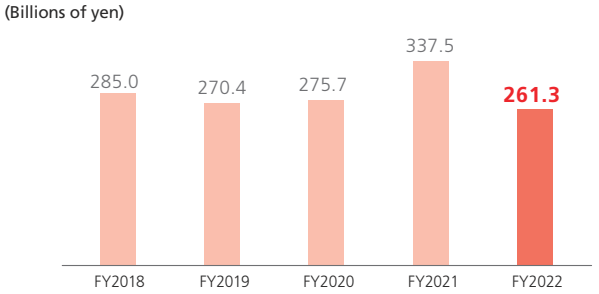
Consolidated Insurance Premiums and Other



Consolidated insurance premiums and other increased 3.4% year on year for the Group as a whole, mainly due to an increase in sales of foreign currency-denominated, single premium insurance at Sumitomo Life due to rising overseas interest rates and other factors.

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

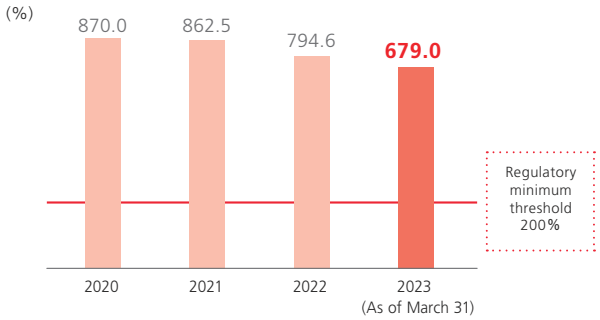


* Calculated by combining core business profit of Sumitomo Life and Medicare Life, and profit before tax of Symetra, Baoviet Holdings, BNI Life, Singlife Holdings and PICC Life attributable to Sumitomo Life's equity stake in each company, with adjustments made to some internal transactions. Including profit before tax of Singlife Holdings generated after Sumitomo Life's investment in it (Period covered in FY2019: July 2019 to December 2019).
* The core business profit is based on the new definition applied from fiscal 2022, including the inclusion of hedging costs related to foreign exchange in the calculation. Figures for prior years are also calculated using the same definition.

The Group core business profit decreased 22.6% compared to the previous year, mainly due to an increase in Sumitomo Life's payments of hospitalization benefits related to COVID-19 infection.

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.

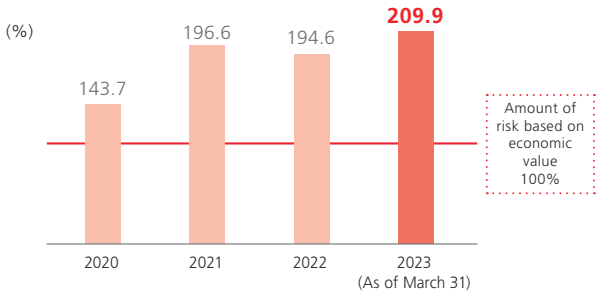
Consolidated Solvency Margin Ratio



Consolidated solvency margin ratio stood at 679.0%, 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.

Consolidated ESR



The consolidated ESR*1 is 209.9%, which is an adequate risk buffer against risk.

*1 Sumitomo Life's internal risk management figures are shown.

ESR (Economic value-based Solvency Ratio) is an indicator of soundness similar to the solvency margin ratio, and is a quantified comparison of capital and risk based on an economic value-based*2 assessment of assets and liabilities. The introduction of ESR into solvency regulations beginning in FY2025 is being considered.

*2 Value is evaluated using assumptions (interest rates, mortality rates, etc.) as of the valuation date.

Customer Satisfaction

Result of Customer Satisfaction in FY2022

Satisfaction - General	Satisfaction - By Scene		
	At the enrollment of an insurance	After the enrollment of an insurance	At the payment of claims and benefits
90.1%	96.6%	92.1%	97.1%

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

Engagement Survey

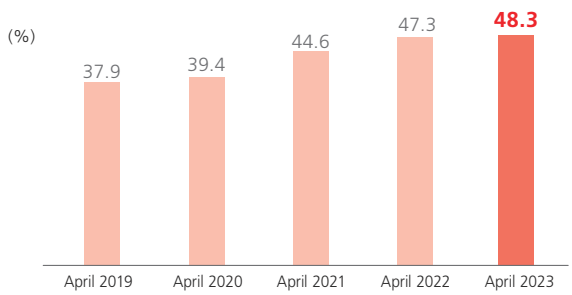
Results of the Engagement Survey in FY2022

Employee engagement score	Environment for active employee participation
61.0%	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 in the Company as a whole and in each organization.

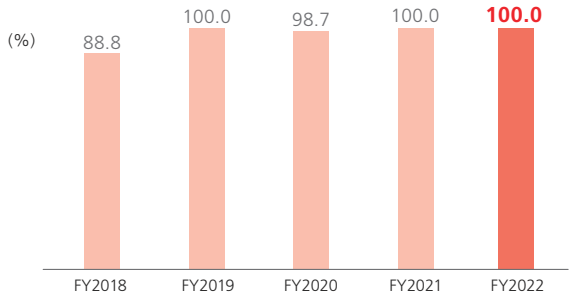
* "Engagement" in the context of our human capital efforts refers to an employee's affection for the Company and satisfaction with his/her job. "The engagement score" is a figure to indicate the level of engagement from multiple perspectives and a ratio of employees who have chosen a favorable response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

Ratio of Female Managers



The ratio of female managers is on track to reach our target of 50% by the end of FY2025.

Ratio of Male Employees Who Took Childcare Leave



The ratio of male employees who took childcare leave was 100% in FY2022 as well, and we are making steady progress toward creating a comfortable working environment for all employees.

We aim to become a leading company in the area of well-being services for the realization of a healthy and long-living society.

Three years of the COVID-19 pandemic

As we looked for ways to contribute to customers and society, we produced three significant results.

The "Sumitomo Life Medium-Term Business Plan 2022" commenced in April 2020, and the next three years were greatly impacted by the COVID-19 pandemic. It was an unprecedented situation that caused us all to reflect deeply on the importance of life and how we live in society, and it put companies to the test trying to keep their businesses alive while continuing to win the patronage of customers.

Life insurance companies are multi-faceted. Along with providing insurance, we are also an institutional investor, for example. But what is most fundamental is how well we can provide for the safety and peace of mind of customers. The pandemic was an opportunity for us to return to our starting point, to think again about why life insurance is necessary and what our role should be. Since being made president in 2021, I, too, have gone back to Sumitomo's Business Philosophy of "*Jiri-rita*, *koushi-ichinyo*,"*1 or "Benefit self and benefit others, private and public interests are one and the same," and have thought together with our employees on how to benefit customers and society in a time of crisis. Out of this process came three significant results.

The first was our promotion of digitalization. As we thoroughly practiced avoiding the three Cs (closed spaces, crowed places and close-contact settings) and maintained non-contact interactions in daily life, we were able to move forward with the digitalization and onlineization of insurance procedures, consultations and consulting. The need to digitalize had been indicated for some time, but I think the pandemic accelerated the process.

The second result was that we helped customers by paying insurance claims. In fiscal 2022 in particular, under the impact of the seventh and eighth waves of the pandemic, we paid benefits for the year of around ¥75.0 billion and claims of approximately ¥12.0 billion. We responded to the sharp increase in insurance claims with an all-out mobilization. As a result we received high marks in an independent survey on satisfaction with insurance claim processing. To pay claims and benefits in times of emergency is the social role of a life insurance company, and we fulfilled this role. I think, too, that customers experienced directly why insurance is necessary and how fast procedures are carried out.

The third result was that we were able to provide new insurance value. During the pandemic, washing hands, gargling, and wearing masks became a part of everyday life, and people's awareness increased with respect to living in ways that prevent disease and maintain health. In this context SUMITOMO LIFE Vitality*2 Shared-Value Insurance proved to be popular, with total enrollments recently surpassing 1.40 million. In addition, we were able to achieve all the key goal indicators (KGIs) we had set.

*1 A phrase expressing the Business Philosophy of Sumitomo, it means that Sumitomo's business must benefit not only Sumitomo itself, but also the nation and society. Companies are seen as both private entities and public institutions.

*2 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. 41 "SUMITOMO LIFE Vitality."

Yukinori Takada

Director,
President & Chief Executive Officer,
Representative Executive Officer

Amount of payments made on insurance claims, etc. by Sumitomo Life and Medicare Life

	Sumitomo Life			Medicare Life		
	Death benefits	Hospitalization benefits	Of which, deemed hospitalization	Death benefits	Hospitalization benefits	Of which, deemed hospitalization
Total	JPY 23.7 bn	JPY 86.5 bn	JPY 83.7 bn	JPY 21.60 mn	JPY 19.3 bn	JPY 19.0 bn
FY2022	JPY 12.1 bn	JPY 75.1 bn	JPY 74.0 bn	JPY 11.45 mn	JPY 17.7 bn	JPY 17.6 bn
FY2021	JPY 8.5 bn	JPY 10.2 bn	JPY 9.0 bn	JPY 10.15 mn	JPY 1.4 bn	JPY 1.3 bn
FY2020	JPY 3.0 bn	JPY 1.1 bn	JPY 0.6 bn	JPY 0	JPY 0.1 bn	JPY 80.39 mn

Results for key goal indicators (KGIs) in "Sumitomo Life Medium-Term Business Plan 2022"

Key goal indicator (KGI)	Medium-term plan goal (2020-2022)	Result (2020-2022)
Number of customers (insurance policies) (Sumitomo Life + Medicare Life + business alliance partners)	14.00 million policies	14.62 million policies
Annualized premiums (Sumitomo Life + Medicare Life)	JPY 2,310.0 bn	JPY 2,345.1 bn
Living benefit, medical coverage, others (Sumitomo Life + Medicare Life)	JPY 610.0 bn	JPY 636.4 bn
Core business profit from domestic business* (Sumitomo Life + Medicare Life)	3-year total JPY 901.0 bn	3-year total JPY 935.2 bn
Core business profit from overseas business (Symetra + 4 companies in Asia)	3-year total JPY 103.0 bn	3-year total JPY 133.4 bn

* Core business profit based on definitions prior to revisions. Not include foreign exchange hedging costs, etc.

We will increase the value of "well-being" provided to customers.

Declining and aging population and declining birth-rate are some of issues that Japan currently faces. Our lifestyles are also changing greatly. The view that a typical family consists of two parents and two children is becoming a thing of the past. The percentages of single-person households, households without children, and elderly single-person households are all increasing.

Amid such major changes, the Sumitomo Life Group recognizes that its major themes are how to contribute to customers and how to facilitate the development of the insurance business. Our business is in the format of a mutual company, so a key point for us is always what we can do to contribute to life insurance policyholders in Japan and to further increase the value we provide.

Insurance originally is intended to prepare economically for risk, and it displays its true value when an event occurs. In this sense insurance has been a type of so-called passive value provision. However, with the launch of SUMITOMO LIFE Vitality in 2018, we evolved insurance to an active, positive form of value provision in which insurance serves to enhance health so that it not only prepares for risk but also helps to reduce it.

With life expectancy growing longer, there is increasing interest in how to live a long life that is positive and enriching. Whether services can be provided that are closely aligned with issues and needs rooted in the lifestyles of customers and whether the services can be broadly delivered to customers are becoming more and more important. Going forward, we will supplement the traditional role of insurance by promoting new initiatives that include risk prevention and early detection, which have increasingly spread during the pandemic, as well as support for aggravation prevention and improvement when a disease has been contracted.

Becoming an "indispensable insurance group" that contributes to well-being

With our purpose firmly in mind, which is to "contribute to the advancement of social and public welfare," we engaged in discussions on the company we wished to become and we should aim for by 2030 as an end point. As a result, we decided on a direction for the company. We will firmly maintain our core as a life insurer and also spread our business wings wider to become a company that provides new value. We drew up a vision of contributing to society by providing the value of "well-being," which encompasses not only physical health but social and mental health and happiness, and based on this, we formulated the "Sumitomo Life Group Vision 2030." With becoming an "indispensable insurance group" that contributes to well-being as our vision for the future, the Sumitomo Life Group aims to be a leading company in the area of well-being services.

"Well-being" and "sustainability" are similar in nature, but sustainability is aimed at eliminating the negative factors affecting the future when considered from the standpoint of the sustainability of society. The SDGs*3 are a well-known example of sustainability initiatives. It goes without saying that sustainability is important, but in thinking about the near future, the year 2030, we are taking another step forward to pursue a positive form of value with a focus on how to make lifestyles, lives, and society better. This is the idea of well-being.

SUMITOMO LIFE Vitality currently has over 1.05 million members, and the concept of well-being has begun to steadily take hold. We have received a great deal of feedback from policyholders, including messages such as "I feel positive every day" and "I feel a greater sense of fulfillment in both body and mind." We will need to further broaden the understanding of well-being and more firmly establish it in people's day-to-day lives. To do this, we will take a step forward from the stage of conception and preparation occupied up to now and move to the stage of offering well-being services.

We have set goals for 2030 for the Group of 20 million customers receiving the value of well-being and 5 million SUMITOMO LIFE Vitality members. These are fairly challenging goals, but I expect that as we begin our activities, new "buds" of well-being will also emerge. This effort will be promoted by our over 30,000 sales representatives located in every part of the country. Starting this fiscal year, they have been called "well-being designers" and their role will be changing. Not only will they sell life insurance but also design and deliver well-being services optimized for individual customers.

To deliver these well-being services, however, it will take more than Sumitomo Life acting on its own. We will need to increase our partners, including other private-sector companies and local governments, and further expand the network of co-creation. The world we envision is one in which these services are developed out laterally, in a form similar to a platform, using digital and network technologies. This concept is called "Well-being as a Service (WaaS)"*4, and we intend to expand the ecosystem for providing well-being services to customers.

Services other than insurance have long been provided to customers as supplementary services, but now our goal is to make "WaaS" services its own business. It will be of paramount importance to develop high added-value services that customers will want to use even if they are for a fee, and as "WaaS" services become more widespread, they will also help draw customers to insurance products. This is why we intend to further accelerate the expansion of "WaaS" services so that they stand side by side with our insurance business.

*3 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.

*4 WaaS (Well-being as a Service) is an ecosystem of services that support "well-being for all," centered on SUMITOMO LIFE Vitality.

See p. 53 "Well-being as a Service (WaaS) Initiatives."

The next three years is for establishing a trajectory for the realization of Vision 2030 and we will carry out initiatives to this end.

"Sumitomo Life Medium-Term Business Plan 2025"*5 has been created by backcasting from what we want to accomplish in the next three years in order to realize "Sumitomo Life Group Vision 2030." The three years to 2025 is for establishing a trajectory and we intend to create mechanisms for this that include various investments. As for specific measures, we have set forth four initiatives: advancing to well-being design, realizing innovation in new domains, reforming our earnings structure, and promoting Group strategies. We have also defined two engines: human capital development and digital & data.

[Four initiatives]

The first initiative is advancing to well-being design. Advancing from "life design" centering on insurance consulting to "well-being design" in which we transcend channels to provide comprehensive services in both insurance and non-insurance areas, we will further expand the well-being value that we provide. This role will be fulfilled by our well-being designers at contact points with customers.

The second initiative is realizing innovation in new domains. How do we support the "well-being" of stakeholders? We will innovate in new domains from this standpoint. We will enhance non-insurance services provided as "well-being design" and further scale them up to establish and expand "WaaS." Specific examples include an aggravation prevention service*6 being promoted in partnership with PREVENT Inc. and local governments and preconception care*7, which includes infertility treatment, being conducted for companies with FamiOne, Inc. There are many seeds of innovation out in the world, but unless they are scaled up, it is not innovation in the true sense. The idea is that we will increase new sympathizers, or further expand connections in society, by having well-being designers, our human resources, deliver cutting-edge initiatives, developed using "digital and data," in the form of well-being services that are the best match for customers.

The third initiative is reforming our earnings structure. We will reform our earnings structure with a view to supporting the two aforementioned initiatives and increasing the Company's sustainability. This will include strengthening asset management and overseas operations and controlling costs. With respect to asset management, the economic environment has changed substantially. The cost of limiting the impact of currency fluctuations has risen steeply due to the widening gap between interests rates domestically and overseas. We will reduce domestic interest rate risk by investing in

*5 See p. 36 "Sumitomo Life Medium-Term Business Plan 2025."

*6 See p. 54 "Initiatives for Aggravation Prevention."

*7 See p. 54 "Preconception Care."

ultra-long-term JGBs and other securities and will raise profitability and strengthen risk control pivoting on expanded investment in high-profitability assets. All asset management by Sumitomo Life is positioned as responsible investment.*8 We will actively engage in transition finance in support of the transition toward the realization of a carbon neutral society and thereby contribute to a sustainable society.

In overseas operations, we have primarily been involved in the U.S. and Asia, and there will be no major change to this policy. We plan to raise the level of subsidiaries and associates we've invested in and deepen connections with them to thereby further increase the weight placed on overseas operations. We are also working to demonstrate synergies with overseas subsidiaries. For example, we are fully outsourcing management of overseas corporate bonds to an investment advisory subsidiary of Symetra, a U.S. life insurance group that is a subsidiary of Sumitomo Life. In addition, we are leveling up in the areas of human capital dispatch from Sumitomo Life and product development and intend to create further synergies with other associates as well.

The fourth initiative is promoting Group strategies. In order to raise the sustainability of the Sumitomo Life Group as a whole, we are enhancing the management control structure and conducting management with an emphasis on soundness and ensuring the appropriateness of operations through dialogue with Group companies and other means. In addition, initiatives directed at solving environmental and other issues are being promoted by the Group as a whole. For the "global environment," which is a stakeholder, the entire Group is involved and will promote operations with unity and synergies. For carbon neutrality by 2050, the Group overall will strive for net zero emissions, and we have raised our reduction target for 2030 as well.*9 We will strengthen our initiatives in an effort to contribute to the well-being of the global environment.

[Two engines]

The engines for the aforementioned four initiatives are "human capital development" and "digital & data."

Regarding "human capital development,"*10 we established the Human Capital Development Headquarter immediately after I became president in 2021. With me serving as its senior general manager, we created a framework, and over these past two years we have been planning a human capital strategy that is linked to business strategy while ascertaining the state of our internal human capital portfolio and identifying its current issues. We have created a long-term grand design for the human capital that will be needed to pursue the vision we have for ourselves as a company and are now at the phase of putting it into practice.

Our overarching aim is to enhance "human value," which is one of the keys to realizing our "Sumitomo Life Group Vision 2030," and tie this in with strengthening the organizational capability and raising corporate value. We intend to phase out traditional company-led career development in which employees tend to play passive role so that each individual employee works to realize the vision they have for themselves. To this end, we are reexamining the relationship between company and employee and promoting career development in which employees take the initiative with a view to establishing a relationship in which both the company and its employees grow with one another and choose and are chosen by one another.

Regarding "digital & data,"*11 in the background is the fact that in order to create new value and services over these next three years we must develop human capital with expertise in digital technology. It seems a lifetime ago, but previously our "digital experts" handled system maintenance and management. Now, however, in order to develop businesses that contribute to well-being going forward, planning and sales departments and information systems departments will not be able to afford to work separately; they will have to work together as one team with digital and data as their common language.

Maintaining and managing existing systems is of course an important job, but in our definition of human capital with expertise in digital technology, there is "human capital for digital development,"

*8 ESG investment and stewardship activities are collectively referred to as "responsible investment.
See p. 32 "Responsible Investment Initiatives."

*9 See p. 30 "Social and Environmental Sustainability Initiatives."

*10 See p. 64 "Human Capital Development and Human Capital."

*11 See p. 70 "Digital & Data."

people who can speak the language of business without being partial to digital and data, "human capital for digital planning," people who understand digital and data in addition to business, and "human capital for digital utilization," people who can use a variety of digital tools. We will promote the acquisition of required skills based on the characteristics and job duties of each department.

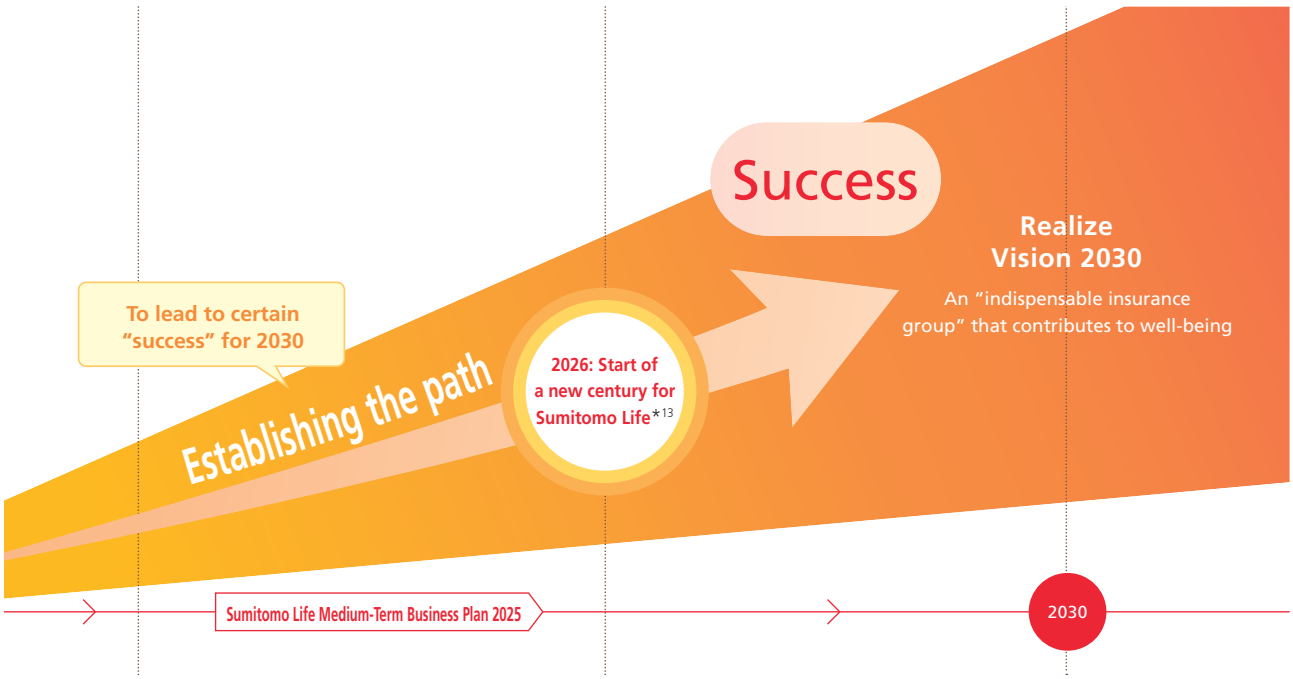
To help promote these initiatives, we established the Executive Fellow System in April this year and selected two people for it.*12 The program promotes people with highly specialized knowledge from inside and outside the company and assigns them the role of realizing highly refined value in specialized fields. The first two people selected for the program have backgrounds in digital and human capital, but if there are candidates with outstanding qualities, abilities, and potential in other fields as well, they will be actively considered regardless of age, gender, or career background.

We will provide and expand well-being services to help solve issues in the era of the 100-year lifespan.

In addition to further promoting health enhancement through SUMITOMO LIFE Vitality, which will be the core of "WaaS," we will also utilize open innovation to create new businesses and services and thereby address the issues of "illness" and "aging," experienced by all in the era of the 100-year lifespan. We have three areas of focus. The first is "Disease Management" services seeking well-being even if subject to illness, the second is "Well-Aging" services seeking well-being as people grow older, and the third is "Wellness Life" services seeking well-being and a positive outlook when encountering various challenges associated with aging.

In the area of "Wellness Life," for example, demonstration experiments on preconception care have begun to be conducted inside and outside the company. Preconception care involves providing multifaceted support that includes promoting understanding for infertility treatment. We plan to

Steps toward Realizing "Sumitomo Life Group Vision 2030"



*12 See p. 72 "Executive Fellow Dialogue."

*13 Company name changed from Hinode Life to Sumitomo Life in 1926

*14 See p. 23 "Supporting Healthy and Secure Lifestyles through Collaboration with Local Governments."

launch the service in fiscal 2023 based on a demonstration experiment that was conducted by an outside company in fiscal 2022.

We are also focused on collaborative projects with local governments*[14] that will allow us to offer well-being services. All local governments have the desire to make the lives of their citizens better. And, as a private-sector company, we are interested in ways we can help. We are therefore conducting collaborative projects around the country that utilize SUMITOMO LIFE Vitality. Our goal is to conduct the projects with 100 local governments in three years. As one example, in September 2022 we launched the "Osaka Vitality Challenge," a project that supports the health enhancement efforts of the citizens of Osaka Prefecture. In eight months, over 60,000 people have signed up.

What is provided differs somewhat from standard insurance, but the project is being conducted as a part of our efforts to expand well-being. Going forward, we intend to take a broader approach to new service development and business model creation.

Working to realize well-being for five categories of stakeholders

Policyholders are our most important stakeholder. And each policyholder is a member of a community and a member of society. We therefore believe that how closely we align ourselves with communities and society and how well we accompany them into the future is important.

In working toward the realization of well-being, we want to take a more positive stance. We want to be a corporate group that not only serves insurance policyholders but also provides value desired by local communities and which continues to contribute to the well-being of our five categories of stakeholders, customers, society, business partners, the global environment, and employees. This is our commitment to realizing "Sumitomo Life Group Vision 2030" and the "Sustainability Management Policy" that underlies it.

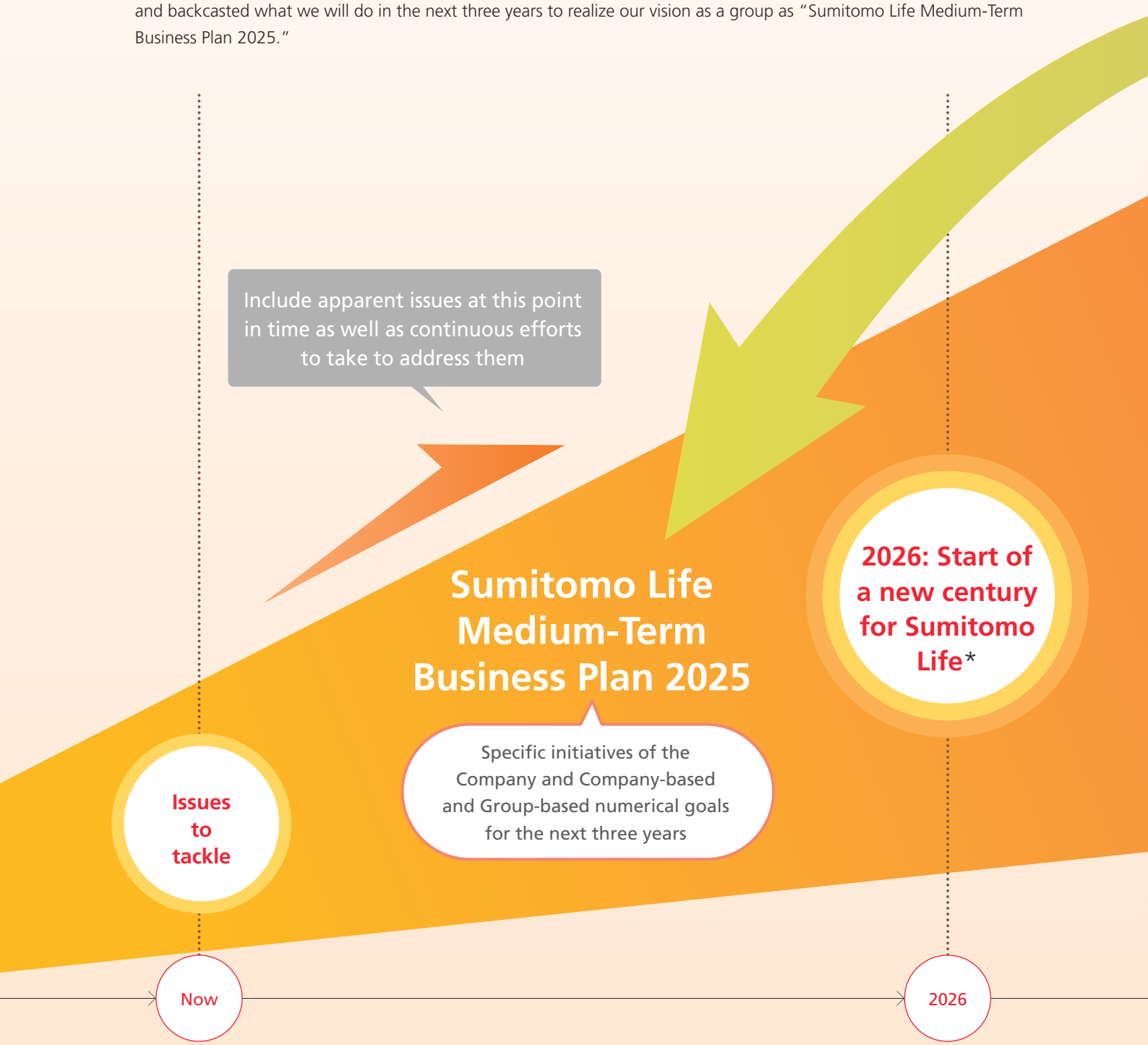
We will support and nourish the well-being of stakeholders. Through our contribution to well-being, we are making efforts to become a company that gains the broad trust of society and grows sustainably. We will engage collectively as a company to this end, and it is my mission as an executive to achieve these goals. I would like to thank all our stakeholders for your continuing support.

Value Creation Overview

Considering the environment surrounding the Sumitomo Life Group, the future is more uncertain than ever before, making it difficult to predict the future, and it is expected to continue to change at an accelerating pace. In addition, the insurance business may face difficult times in the foreseeable future, given the declining and aging population and declining birthrate.

In order to respond to such changes in society and in the business and internal environments surrounding the Sumitomo Life Group, it is necessary to consider Group-wide initiatives. In order to realize the "Sustainability Management Policy," which is our long-term vision, it is necessary to set a medium-term direction and promote consistent initiatives, rather than focusing on addressing immediate issues.

To this end, we have defined our vision for 2030 and the strategies to achieve it as "Sumitomo Life Group Vision 2030," and backcasted what we will do in the next three years to realize our vision as a group as "Sumitomo Life Medium-Term Business Plan 2025."



* Company name changed from Hinode Life to Sumitomo Life in 1926

Backcasting from 2030

Our calling and long-term vision

Realization of Sustainability Management Policy

Sustainability Management Policy

- Sound operation of insurance business
- Creating a company that continues to grow
- Efforts to resolve social and environmental issues
- Collaboration with stakeholders

Vision for 2030

Sumitomo Life Group Vision 2030

Strategy for ensuring our realization of Sustainability Management Policy

We have created a video to help you visualize how we will contribute to the well-being of our stakeholders toward the ideal vision set forth in the "Sumitomo Life Group Vision 2030." Please access the site by using the two-dimensional code on the right.

2030

Sumitomo Life Value Creation Process

Promotion of Sustainability Management (Promote initiatives based on Key Items of Sustainability) p. 26

Purpose

Contribute to the advancement of social and public welfare

Financial capital

Consolidated total assets
¥42.6 trillion

Consolidated solvency margin ratio
679.0%

Economic value-based solvency ratio (consolidated)
209.9%

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
Fitch Ratings Insurance company financial strength rating: A+	

Human capital

Number of employees
44,049 (Non-consolidated)

Among which, number of sales representatives
33,538 (Non-consolidated)

Social capital

Number of customers receiving the value of well-being (in Japan)
Approx. 12.85 million

Number of SUMITOMO LIFE Vitality members
Approx. 1.05 million

Claims, annuities, benefits
Approx. 5.94 million cases
Approx. ¥1,360.7 billion

* Non-consolidated results of Sumitomo Life for fiscal 2022

Sumitomo Life Medium-Term Business Plan 2025

– Establishment of a path for the realization of Sumitomo Life Group Vision 2030 –

Key strategies

Advancing to well-being design p. 38

Realizing innovation in new domains p. 52

Engines

Human capital development p. 64 × Digital & data p. 70

Earnings structure reform p. 56

Group strategies p. 56

Fostering a better corporate culture | Business risk countermeasures

Key goal indicators

Number of customers receiving the value of well-being (in Japan) Group: 14.60 million Sumitomo Life: 11.70 million	Number of SUMITOMO LIFE Vitality members Sumitomo Life: 2.40 million
Annualized premiums from policies in force Group: ¥3,340.0 billion Sumitomo Life: ¥2,260.0 billion	Core business profit (3-year total) Group: ¥730.0 billion Sumitomo Life: ¥600.0 billion

Brand

Base for sustainable growth

ERM p. 95

Corporate governance p. 78

Sumitomo Life Group Vision 2030

Providing the value of well-being for as many people as possible p. 22

Target numbers

Number of customers receiving the value of well-being
20 million

Number of SUMITOMO LIFE Vitality members
5 million

Stakeholder well-being

Customers

Customers have access to the assurances and services they need and can live enthusiastically and free of anxiety over risks.

Society

Many people can live in good health and prosperity even as the birthrate declines and the population ages. Also, even as they age, and even if they fall ill, people can live happy lives with their loved ones.

Business partners

Our business partners have a shared understanding of the Group philosophy and work with us to create and deliver value, increasing sustainability for themselves and their stakeholders.

Global environment

Efforts to achieve carbon neutrality substantially reduce the risks of climate change. We can create a sustainable environment that is habitable to everyone and everything.

Employees

All employees can demonstrate their value as they grow independently and autonomously. They also earn the trust of those around them and continue working with pride and confidence.

The Company

The Group achieves sustained, consistent growth by supporting stakeholders and earning their trust and support in return.

Strategy 2.0

Compliance p. 94

Risk management p. 97

Our calling and long-term vision

Realization of Sustainability Management Policy

- Sound operation of insurance business
- Creating a company that continues to grow
- Efforts to resolve social and environmental issues
- Collaboration with stakeholders

Initiatives for Realizing the Well-being of Stakeholders

In order to provide the value of well-being to as many stakeholders as possible, we will deepen our efforts in the areas of "contributing to health promotion" and "supporting fulfilling lifestyles," in addition to the essential role of insurance, which is "providing a sense of security through insurance." In addition, we will provide services that are rooted in each country and region, not only to our customers who subscribe to our insurance policies, but also to the community at large. Sumitomo Life continues to be a corporate group that contributes to the well-being of all stakeholders – customers, society, business partners, the global environment, and employees.

Providing the value of well-being for as many people as possible

Target numbers

Number of customers receiving the value of well-being	Number of SUMITOMO LIFE Vitality members
20 million	5 million

Customers

Society

Contributing to health promotion

Health support centered on SUMITOMO LIFE Vitality

Physical prosperities

Providing a sense of security through insurance

Continuing to be on the same page as customers to provide them with optimal assurances and services tailored to their individual needs

Economic preparedness

Supporting fulfilling lifestyles

Providing comprehensive services that address generational needs

Social connections

We provide well-being services rooted in various countries and regions.
We provide support for local government initiatives and local corporations' health and well-being management.

Business partners

Working together to create future-oriented innovation that leads to growth for our business partners.

Global environment

Striving to improve the global environment through unceasing efforts to achieve carbon neutrality.

Employees

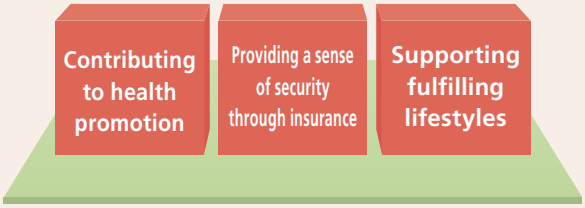
Working to stimulate and improve the engagement of the Group's human capital.

The Company

We will join others in the continuous pursuit of growth to steadily promote initiatives in these domains.

Case study | 01

Supporting Healthy and Secure Lifestyles through Collaboration with Local Governments



Sumitomo Life is promoting cooperation with local governments throughout Japan with the aim of contributing to health promotion and regional development, etc. In accordance with "Sumitomo Life Group Vision 2030" and "Sumitomo Life Medium-Term Business Plan 2025," we aim to provide well-being services that support fulfilling lifestyles and are rooted in the community.

Creating a Healthy Community through the "Vitality Walk"

Sumitomo Life has been strengthening its relationship with local governments for some time, and as of April 2023, has concluded agreements or collaborated through projects with 44 prefectures and numerous cities and towns across Japan (including comprehensive partnership agreements concluded with 10 prefectures). Sumitomo Life Group Vision 2030, formulated in March 2023, calls for the provision of well-being services that support fulfilling lives and are rooted in local communities. Through these efforts, we will further strengthen our relationship with local governments and contribute to the well-being of our customers, communities, and society.

Specifically, starting in October 2022, we are working with Osaka Prefecture as part of the "Next-Generation Smart Health Project" to provide a portion of the Vitality Wellness Program to prefectural residents free of charge for 12 weeks. In addition, outside of Osaka Prefecture, we have worked with the cities of Chigasaki, Yamagata, and Hakodate to provide a portion of the Vitality Wellness Program free of charge for a certain period of time. Municipalities that have introduced the Vitality Wellness Program so far have been very pleased with the behavioral change effects of setting short-term goals for each week. In addition, there are cases such as Yamagata City, where the local government has its own health point program and introduced the Vitality Wellness Program in order to create synergy with this program.

To further promote these efforts, we will offer the Vitality Wellness Program in collaboration with local governments, calling it the "Vitality Walk," with the aim of implementing the program in 100 municipalities by March 31, 2026. Through the promotion of the "Vitality Walk," Sumitomo Life will provide its unique value to all regions of Japan.

Yamagata City Vitality Walk Support Registration Meeting

We were very pleased to hear that the number of people registered for the Yamagata City health point program SUKSK app has also increased, and the person in charge of Yamagata City was also very pleased.

■ Collaborative projects utilizing the Vitality Wellness Program (stand-alone provision) (as of April 2023)

- **Hakodate City, Hokkaido Prefecture**
  - Collaboration Project with "Hakodate KENKOU App – Hakobit –"
- **Yamagata City, Yamagata Prefecture**
  - Yamagata City Vitality Walk Collaboration Project with "Yamagata City Health Point Program SUKSK"
- **Chigasaki City, Kanagawa Prefecture**
  - Chigasaki Vitality Walk
- **Osaka Prefecture**
  - Osaka Smart Senior Life Demonstration Project
  - Osaka Vitality Challenge (details on next page)
- **Kagawa Prefecture**
  - Kagawa Vitality Walk (to be implemented in FY2023)

Osaka Vitality Challenge

Special Message

Hirofumi Yoshimura Governor of Osaka Prefecture

大阪府知事
吉村 洋文

I would like to thank all of you for your ongoing cooperation in promoting the Osaka Prefectural Government.

Sumitomo Life and Osaka Prefecture are engaged in a joint project utilizing SUMITOMO LIFE Vitality that is aimed at resolving social issues associated with a longer healthy life expectancy based on the "Next-Generation Smart Health Project" declaration made last year.

Health enhancement utilizing digital technologies is an extremely important topic ahead of Expo 2025 Osaka, Kansai, Japan, whose theme is "Designing Future Society for Our Lives."

The project is expected to greatly accelerate initiatives in the area of health enhancement toward realization of just such a future society. The prefectural government will continue carrying out this project so that it produces significant results. I would like to again express my gratitude to Sumitomo Life.

It is my hope that everyone involved will benefit.

In July 2017, we signed a comprehensive partnership agreement with Osaka Prefecture and have been promoting collaboration in many areas, including the field of health promotion. In anticipation of the Expo 2025 Osaka, Kansai, Japan, we declared in September 2022 the development of "Next-Generation Smart Health Project" with Osaka Prefecture to promote the health of Osaka residents using digital technology. Based on the joint project declaration, we are working on the "Osaka Vitality Challenge," a project to support the health of Osaka residents. [See figure below]

In the eight months since the Osaka Vitality Challenge was launched, we have received approximately 60,000 applications, and more than 1,000 of our business partners have cooperated in notifying the offer and publicizing the program. More than 3,000 participants who have shown interest in Vitality and their own health enhancement through the three-month program have applied to continue the Vitality Wellness Program through the insurance version and other means.

A survey was conducted among the project participants. Many of them said "This project was a good opportunity for us to start working on our health. Our health efforts and awareness have changed." We will work to inform as many customers as possible about the Osaka Vitality Challenge, which provides an opportunity to improve their health and a mechanism to continue their daily efforts in a fun way, and work toward 100,000 applications by March 31, 2024 and support for health promotion.

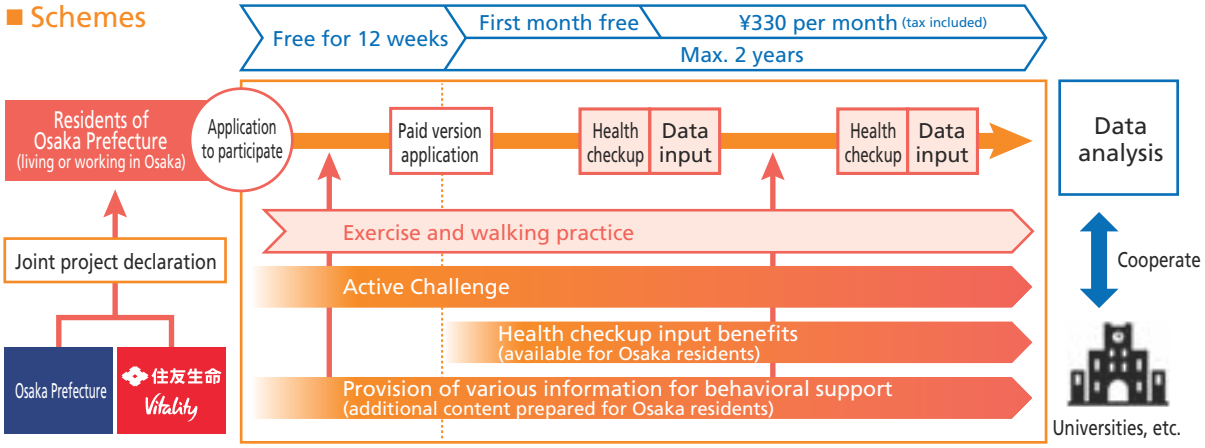
◀Tie-up poster

▼Project special sites

Osaka Vitality Challenge Overview

- Calling on Osaka residents to change their behavior to improve their health, part of the Vitality Wellness Program is offered free of charge for 12 weeks.
- Some participants in the trial version of the program continue to improve their health through enrollment in the insurance version of Vitality or Vitality Smart.
- Accumulate health data through Vitality, analyze health status and behavior change, and research data utilization.

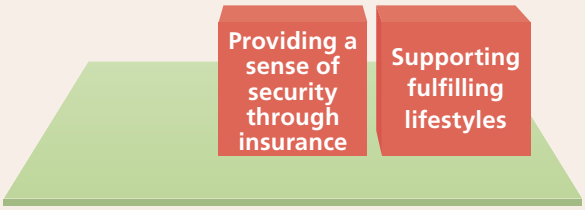
■ Schemes



Case study | 02

Support for Life Planning in the Era of the 100-year Lifespan

Sumitomo Life is committed to resolving issues in the super-aging society to realize a society of affluence, vitality, health and longevity, and to realizing "healthy, secure and safe" lifestyles in the era of the 100-year lifespan.



Efforts to solve issues in a super-aging society

Providing community-based well-being services

In response to changes in the environment, such as the arrival of the era of the 100-year lifespan and the diversification of life cycles, Sumitomo Life is making efforts to solve issues in the super-aging society through further evolution of its products and services and strengthening of cooperation with local communities.

In strengthening cooperation with local communities, we conduct activities to watch over the elderly in the community and hold inheritance seminars in order to contribute to the creation of a safe and secure social environment that takes into consideration the characteristics of the elderly. In addition, we are promoting the establishment of a relationship with "Community General Support Centers," which are the core organizations of the community comprehensive care system, and are aiming to build a system that can provide customers with peace of mind not only by offering Sumitomo Life services but also by providing information on local public services so that elderly customers can continue to live their own lives in their familiar neighborhoods until the end of their lives.

Increase literacy about the super-aging society

In order to work with local communities and respond to elderly customers in a super-aging society, we are working on gerontology education, such as taking the Gerontology Examination as a group and introducing a dementia supporter training course into the initial education curriculum for well-being designers (sales representatives).

Utilization of external expertise

We strive to collect the latest information on issues related to the super-aging society through participation in external organizations such as the Japan Financial Gerontology Institute and the Decision-Making Support Organization Japan, as well as in the industry-academia collaborative project on gerontology led by the University of Tokyo Institute of Gerontology.

Based on the expertise gained through these efforts, we are working to improve services that support the aging process, including the consideration of new initiatives that contribute to the well-being of elderly customers and their families.

We aim to realize a "society of affluence, vitality, health and longevity" where everyone can live with peace of mind and in their own way, by contributing to the lifetime well-being of customers.

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

As the population continues to age, we are striving to realize a "society of affluence, vitality, health and longevity" with well-being for all in the era of the 100-year lifespan. Driven by the increased literacy of our employees with respect to the super-aging society, and while deepening connections with local communities, we will deliver not only insurance products but also services and information that support the lives of customers and will provide consulting appropriate to each customer's situation in order to draw closer to customers for the entirety of their lives. In doing so we are aiming to become an "indispensable insurance group" that contributes to well-being.

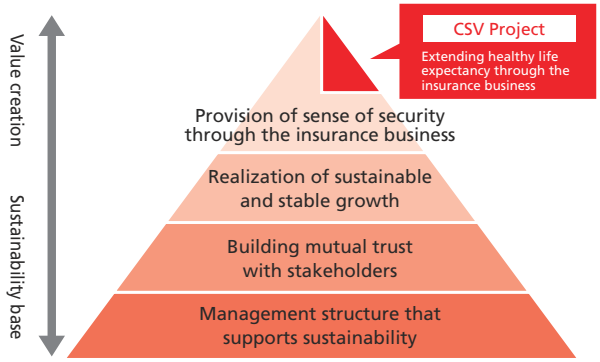
Sustainability

Key Items of Sustainability (Materialities)

We have defined materialities based on our operating policy as shown in the diagram presented on the right. For each of these five materialities, we have identified risks and opportunities, as well as key initiatives to achieve them to clarify the issues we focus on.

Led by the "Sumitomo Life Medium-Term Business Plan 2025," we have set forth specific initiatives for materiality mainly focusing on contribution 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	Risks ・Longer lives could result in decreasing demand for death protection, and increases in benefits paid in relation to hospitalization and surgery, etc. Opportunities ・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	■ Promote business 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	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	3
Provision of sense of security through the insurance business	Risks ・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 ・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	■ Provide services and information for the era of the 100-year lifespan ■ Sustainability-based responsible investment	Provide all people with suitable life insurance products and services, as well as security that they will lead to, by pursuing customer-oriented management	1
Realization of sustainable and stable growth	Risks ・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 機会 ・Gaining of social trust, securing stable earnings and enhancement of corporate value resulting from an approach to operating the business that captures the changing needs of society	■Improving productivity through work style reform and resource optimization ■Hiring and developing flexible, diverse human capital ■Coexisting with business partners through cooperation and other efforts ■Creating new value through open innovation ■Diversifying our earnings base through overseas business ■Strengthening IT and other business development infrastructure	Under a management policy to be passed down through the ages, continue to grow steadily while responding to changes and reforms in society	5 8 9
Building mutual trust with stakeholders	Risks ・Possibility of loss of social reason for existence caused by damage to mutual trust 機会 ・Gaining the trust of stakeholders by fulfilling social responsibilities	■Promoting financial literacy education ■Contributing to the achievement of carbon neutrality ■Providing well-being services rooted in communities ■Promoting social contribution activities	Meet the expectations of stakeholders and aim to be a company that is trusted and supported by them	4 15 13 17 14
Management structure that supports sustainability	Risks ・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 ・Enhancing corporate value by achieving highly effective corporate governance and making continuous improvements to it thereafter	■Strengthening the management system on a Groupwide basis ■Compliance initiatives ■Human rights initiatives ■Personal information initiative ■Promoting ERM, enhancing the risk management system	Continue to be a corporate group that contributes to the creation of a sustainable society by conducting honest business operations and building a sound financial base	10 16

* Responsible investment contributes to the achievement of all SDGs

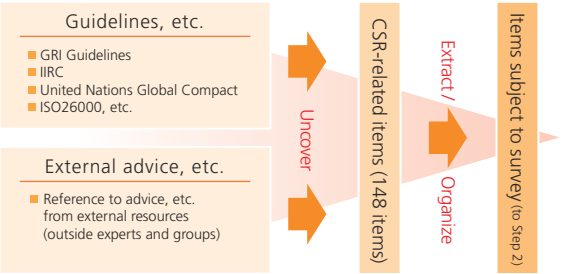
Process for Identifying Materiality

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.

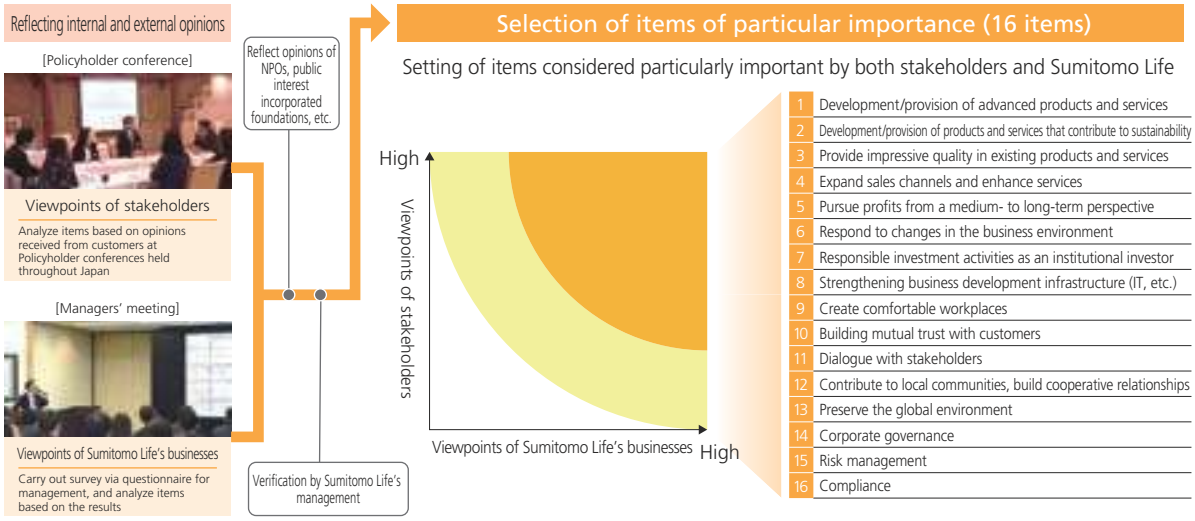
STEP 1 Uncovering CSR-Related Items

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.



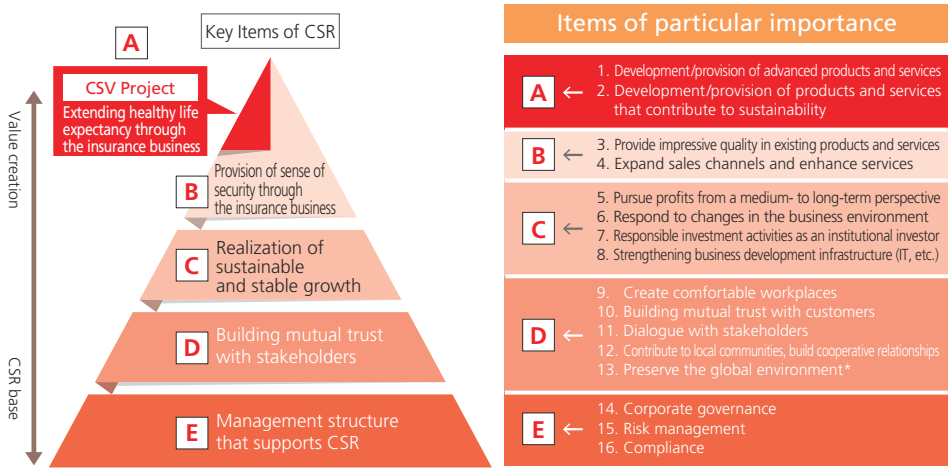
STEP 2 Refining Based on Internal and External Assessments

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)



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.



Guided by its purpose, "Contribute 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.

Aiming for a Sustainable Future Together with Society

Hideyuki Sumi
Director, Senior Managing Executive Officer (Representative Executive Officer)
Group Sustainability Officer

A variety of initiatives have been conducted around the world aimed at achieving the Sustainable Development Goals, or SDGs, by their 2030 deadline, but the world still faces many issues, from addressing climate change to respect for human rights, achieving a healthy and long-living society, and realizing safe and secure societies. We believe that what is required of a socially responsible corporate group is to sustainably raise corporate value and to play an active role in solving social and environmental issues. The Sumitomo Life Group engages in sustainability management while cooperating with its various stakeholders with the aim of creating a sustainable society.

Promotion of sustainability management

In May 2022, we formulated the "Sustainability Management Policy" with a stated mission of contributing to the realization of a sustainable society through efforts to realize a healthy and long-living society and solve social and environmental issues. We have also defined five materialities (key items) as "Key Items of Sustainability" based on our operating policy and conducted initiatives for them.

Also, in March 2023, we formulated "Sumitomo Life Group Vision 2030" to realize the Sustainability Management Policy and defined a vision for 2030 of becoming an "indispensable insurance group" that contributes to well-being.

To realize this vision for 2030, it will be important that we strengthen and build out past initiatives as we also conduct new ones. We will expand the area of well-being through the four initiatives and two engines of "Sumitomo Life Medium-Term Business Plan 2025" (see p. 36) and promote sustainability management with increased focus on the Key Items of Sustainability.

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.

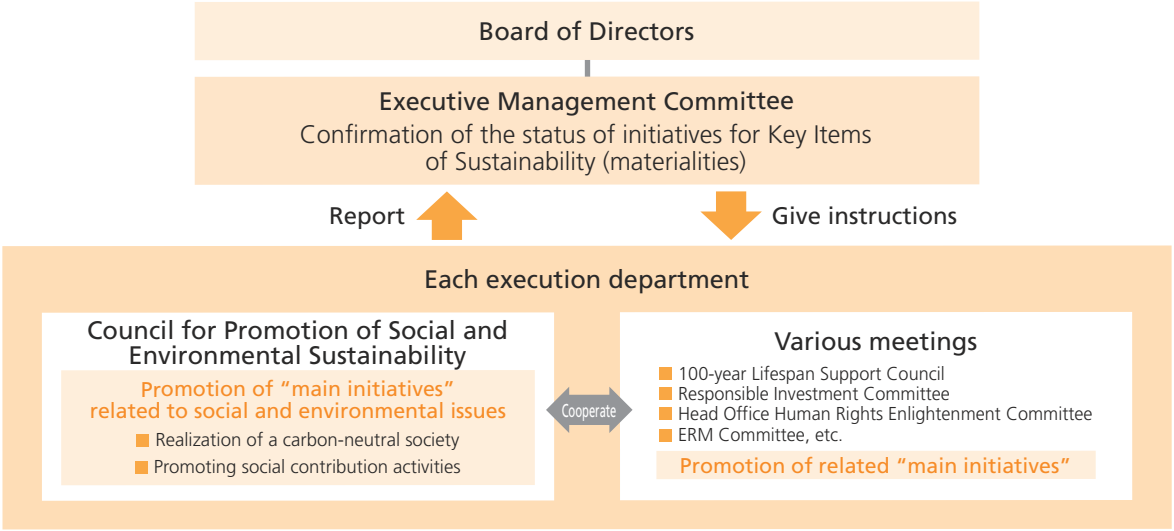
Furthermore, in April 2021, we declared to achieve carbon neutrality by 2050 and have been working to reduce greenhouse gases, including those emitted by the companies in our supply chain, such as our investees. We believe that reducing our own emissions as well as supporting the decarbonization of our 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.

New issues are also emerging, such as conservation of biodiversity. We established the "Council for Promotion of Social and Environmental Sustainability" to consider business impact assessments and their incorporation, including for newly emerging issues, and promote initiatives.

As a financial and insurance group that does business globally, we will listen to the opinions of our stakeholders, participate in international initiatives and collaborate with companies in different industries and other financial institutions to promote sustainability throughout the Group, both in Japan and overseas, and increase the value we provide to society.

Promotion System

In order to realize our "Sustainability Management Policy," we have clarified the main initiatives for each Key Item of Sustainability (materiality) (see p. 26), and have a system in place to confirm the status of these initiatives by the Executive Management Committee and report them to the Board of Directors, as well as to implement the PDCA cycle.



Council for Promotion of Social and Environmental Sustainability

The Company has established the "Council for Promotion of Social and Environmental Sustainability," chaired by the Group Sustainability Officer, to examine initiatives to contribute to social and global environmental well-being, which is the foundation of a sustainable society. In addition to promoting initiatives toward carbon neutrality and social contribution activities, the Council also evaluates the impact of newly arising issues on business from the perspective of social and environmental challenges.

Council for Promotion of Social and Environmental Sustainability

Chairman (Group Sustainability Officer)

Constituent members (department heads of relevant departments)

Secretariat (Corporate Planning Department)

Purpose

- Examine initiatives to contribute to social and global environmental well-being, which is the foundation of a sustainable society.
- Formulate and review the "Social and Environmental Sustainability Promotion Plan" for "carbon neutrality" and "social contribution activities," the main initiatives for materiality.
- Evaluate the impact of newly arising issues on our business and examine whether or not to incorporate them from the perspective of social and environmental issues.
- Examine group-based initiatives for social and environmental issues.
- Promote disclosure of information related to social and environmental sustainability.

Addressing Climate Change

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.

Realization of a Carbon-Neutral Society

Greenhouse Gas Emissions Reduction Targets

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

Sumitomo Life Group*1

2050 Target	Net zero GHG emissions

Category	Reduction Indicator (Unit)	2030 Target
Scope 1 + 2 + 3*2	Total emissions (t-CO_2e)	-50% (compared with FY2019)

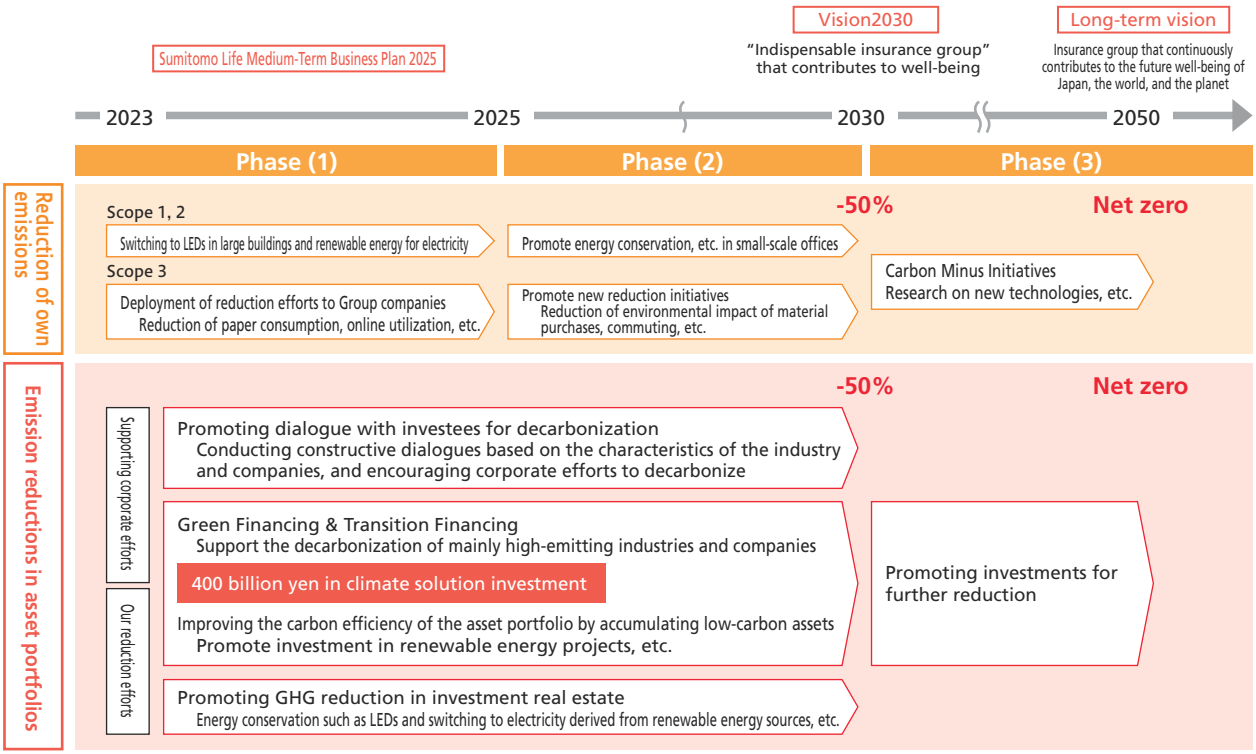
Sumitomo Life (Non-Consolidated)

Category	Reduction Indicator (Unit)	2030 Target
Asset portfolio*3	GHG emissions proportional to the amount of balance held in the portfolio (t-CO_2e / million yen)	-50% (compared with FY2019)*4

*1 Scope of coverage is Sumitomo Life and its consolidated subsidiaries.
*2 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 Group
- Scope 2: Indirect emissions from use of electricity and heat purchased by Sumitomo Life Group
- 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 Group 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 Group), Category 5 (Waste Generated in Operations), Category 6 (Business Travel), Category 7 (Employee Commuting), and Category 12 (End-of-Life Treatment of Sold Products). Category 13 (Downstream Leased Assets) and Category 15 (Investments) are managed separately as emissions from the asset portfolio.
*3 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, loans, real estate for investment, and infrastructure investments. Target Scopes are investees' Scope 1 and 2. The reduction indicator expresses "Intensity (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.
*4 This level also meets the reduction level recommended by the Net-Zero Asset Owner Alliance, which Sumitomo Life has joined.

Efforts to Achieve Carbon Neutrality by 2050 - Roadmap for Climate Change Response -



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

Our "Sustainability Management Policy" stipulates "contribution to the realization of a sustainable society through efforts to solve social and environmental issues," including climate change, and "Sumisei Environmental Policy" has been established as a specific action policy for the global environment. We 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 "Council for Promotion of Social and Environmental Sustainability," which examines responses to Key Items of Sustainability (materialities) related to social and environmental issues, discusses how to deal with climate change issues (reports on the status of responses in the first half and fiscal year to 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.

<Opportunities>

In asset management, we are encountering more opportunities for investment 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 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

[Scenario analysis]

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.

STEP 1	STEP 2	STEP 3	STEP 4
Assess materiality of risks	Identify scenarios	Evaluate business impacts	Identify potential responses
Risk exemplified in the TCFD recommendations ■ Physical risks Acute risk and chronic risk ■ Transition risks Policy and legal risks, technology risk, market risk, and reputation risk	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 effects on the life insurance business and the asset management business	• 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 decisions and furthermore carry out engagement activities involving dialogue on climate change with investees.

Metrics and targets

We initially aim to achieve the GHG emissions reduction targets for 2030 (see p. 30) on our path to realizing carbon neutrality by 2050. Our actual emissions results are as shown in the table below.

GHG emissions results [Sumitomo Life Group]

Category	Units	FY2019	FY2020	FY2021
Scope 1 + 2 + 3	t-CO_2e	165,249	140,313	145,966
Scope 1	t-CO_2e	15,476	11,219	13,112
Scope 2	t-CO_2e	38,795	30,514	30,432
Scope 3	t-CO_2e	110,977	98,580	102,422

GHG emissions results [Sumitomo Life (non-consolidated)]

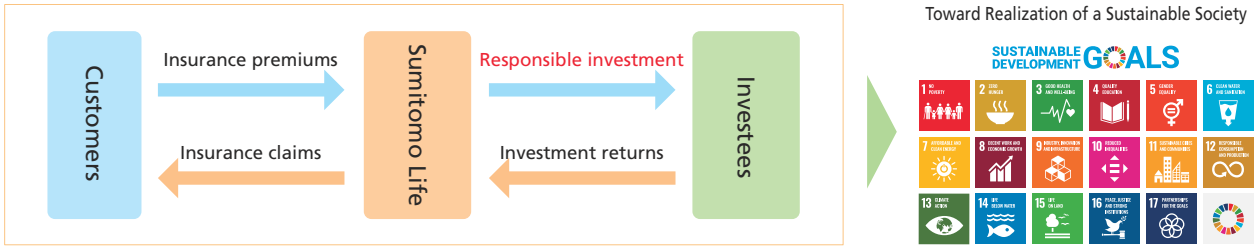
Category	Units	FY2019	FY2020	FY2021
Asset portfolio*	t-CO_2e/million yen	1.22	0.92	—

*The latest actual results available for the asset portfolio are those for FY2020. The actual figures have been adjusted in accordance with the revision of the target assets for the 2030 reduction target in March 2023.

Responsible Investment Initiatives

We promote asset management that takes sustainability into consideration (responsible investment) with the aim of securing stable investment returns over the medium to long term and contributing to the realization of a sustainable society. We believe that contributing to the realization of a sustainable society is an initiative that is in line with our company's Purpose, and also contributes to securing medium to long term investment opportunities and reducing investment risks in our asset management. We will continue to promote responsible investment in all of our assets under management, thereby making further contributions to solving social issues.

Conceptual diagram



Purpose of responsible investment

Responsible investment: asset management with sustainability in mind

Securing stable investment income over the medium to long term + Contribution to the realization of a sustainable society

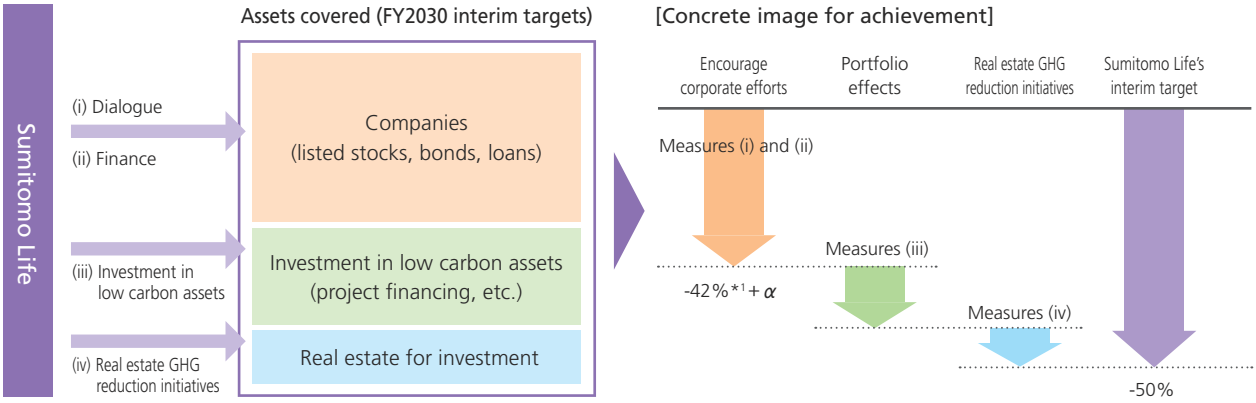
Specific methods (details: next page)

ESG investment		Stewardship activities
Investment behavior that considers ESG factors in addition to financial information	+	Dialogue activities and exercise of voting rights that take into account ESG factors from the perspective of improving the medium- to long-term corporate value of investee companies

Initiatives to achieve a decarbonized society

Initiatives to reduce GHG emissions resulting from the asset portfolio

We will strive to achieve the target level of GHG emissions reduction in our asset portfolio through various measures.



Measures	Outline of initiatives
(i) Dialogue	● The dialogue will be based on a level similar to the Japanese government's effort target*1 to encourage companies to decarbonize their operations.
(ii) Finance	● Support the decarbonization of investee companies through finance (transition financing*2, etc.).
(iii) Investment in low carbon assets	● Focus on investments in low-carbon assets, including infrastructure equity funds and project finance for renewable energy.
(iv) Real estate GHG reduction initiatives	● Promote energy conservation and switch to renewable energy in investment real estate.

*1 This figure is based on the Japanese government's effort target of -50% (compared to FY2013), which has been rewritten to the FY2019 standard.
*2 This financing method is designed to support the efforts of companies that are steadily working to reduce GHG emissions in accordance with their long-term strategies toward the realization of a decarbonized society.

ESG Investment Initiatives

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 decision-making process. We are committed to implementing and improving ESG integration for all assets under our management.

ESG thematic investments

Refers to investment projects in which the use of funds contributes to the achievement of the SDGs. The three-year implementation amount for FY2020-2022 was 682.3 billion yen, achieving the target amount of 500 billion yen. For the period FY2023-2025, we aim to provide 700 billion yen in new ESG-themed investments, including 400 billion yen in climate change financing.

Impact investment

Refers to investment projects that are intended to create social and environmental impacts as well as gain financial returns. In FY2022, we executed 22.2 billion yen, achieving the target amount of 20 billion yen. We believe that it is important to visualize and further create impact in responsible investment, and we are actively engaged in impact investment.

Negative screening

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

ESG thematic investments case studies

Nuveen Natural Capital (agricultural land strategy funds)

- Investment amount: Approx. 6.5 billion yen
- Investment period: June 2022
- Funds for investment in agricultural land and related businesses
- Contribute to addressing environmental issues and ecosystem protection through the promotion of sustainable agriculture

Photo credits: Nuveen

Central American Bank for Economic Integration (blue bonds)

- Investment amount: 3.0 billion yen
- Investment period: January 2023
- Bonds that use the funds for projects related to the aquatic environment, such as marine conservation and sustainable fisheries

Photo credits: CABEI

Environmental Energy Investment (impact investment)

- Investment amount: 1.5 billion yen
- Investment period: March 2023
- Venture fund specializing in environmental and energy fields
- In addition to financial returns, aim to create social impact such as the diffusion of renewable energy

Photo credits: DeepForest Technologie/Plugo

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. We will continue to promote dialogue activities on important themes such as companies' measures against global warming, as well as human rights and labor environment issues, human capital, and biodiversity.

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. The Company revises the Guidelines for Exercising Voting Rights as necessary from the viewpoint of corporate value improvement.

We will continue to exercise our voting rights in consideration of ESG issues at investee companies, while seeking global governance standards, diversity of core human resources, etc.

Viewpoints for dialogue

Themes	Main viewpoints for dialogue
Management strategy Business strategy	● Basic management philosophy, medium- to long-term growth strategy ● Key management indicators and measures for improvement ● Balancing social sustainability and economic rationality, etc.
Capital efficiency Shareholder returns	● Efforts to improve capital efficiency ● Balance between retained surplus and investment plans, and shareholder returns, etc.
ESG	Identification of important issues (materiality) and response **[With respect to environment and society]** ● Significance of the businesses that lead to the solution of environmental and social issues and response ● Efforts to reduce GHG emissions ● Deepen efforts to address human rights and labor environment issues, etc. **[With respect to governance]** ● Composition and operation of the Board of Directors ● Process for appointment and dismissal of management executives ● Philosophy on the officer remuneration system, etc.

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 on responsible investment, please visit our website. https://www.sumitomolife.co.jp/english/assetmanagement.html#esg_en

Review of "Sumitomo Life Medium-Term Business Plan 2022"

"Sumitomo Life Medium-Term Business Plan 2022," a three-year plan that began in fiscal year 2020, was carried out in a difficult environment in which we were forced to revise the plan's targets immediately after the plan was formulated due to the impact of the COVID-19 pandemic. Nonetheless, we steadily conducted new initiatives in the new normal that fused "unique human value" and "digital technology."

Looking back at the plan's execution, management issues for the next period were clarified, including further expansion of SUMITOMO LIFE Vitality and Well-being as a Service (WaaS) options and promotion of operations with a sense of unity and synergy within the Group.

Overview

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

Be trusted by society

"Customer" is the subject word

From the perspectives of all our customers

Behavior and work style personalized for our customers

Contribute to society

Contribution to achieving the SDGs

SUSTAINABLE DEVELOPMENT GOALS

Vitality

Contributing to healthy and long-living society

Adapt to social change

Transformation for continual evolution

Declining birthrate and aging population

Diversification of consumer consciousness

Flexible adaptation

Digitalization

Other elements

Investing in future change

Service reform | HR nurturing | Infrastructure building | Innovation creation

Asset management | Products & services | Life designers | Agencies such as financial institutions & insurance outlets | Management base | Overseas operations

Advancing all businesses together with our customers

Review of initiatives and management issues for the next period

Sumitomo Life Medium-Term Business Plan 2022 (Plan)	Execution (Do)	Issues for the next period (Check)
	Formulation of the Sustainability Management Policy	
Contribute to society **—Contribution to achieving the SDGs—** Disseminating value distinct to Sumitomo Life centered on "SUMITOMO LIFE Vitality" with the aim of establishing a brand image of "health, security, and familiarity"	Provided Vitality plan options, provided more health promotion options, updated rewards, established the Vitality Club community site and Vitality Plaza, and more Introduced new products to the market (e.g. Cancer PLUS ALIVE, Plus Savings-Type Whole Life Insurance, Sumisei Dementia Insurance) Set and raised GHG emissions reduction targets	Further advance SUMITOMO LIFE Vitality and expand offering of optional products Further expand touch points with customers to continuously address their needs
Be trusted by society **—"Customer" is the subject word—** Reforming the work styles and the behaviors of employees with the aim of becoming a more trustworthy company	Instituted the Sumitomo Life Group Human Rights Policy, etc. Promoted various initiatives to improve productivity and maximize performance Launched the Human Capital Development Headquarter	Promote management that creates a sense of unity and synergy within the Group Further promote DE&I by developing flexible, diverse human capital
Adapt to social change **—Transformation for continual evolution—** Taking a long-term perspective and promoting initiatives to transform our corporate character (transforming services, developing human capital, establishing infrastructure, creating innovation) with the aim of becoming a company that can respond to any and all changes	Began fully outsourcing foreign corporate bond investment to Symetra Investment Management Introduced Zoom, LINE WORKS, and other digital tools, digitized new policies and maintenance procedures Invested in startups through the "SUMISEI INNOVATION FUND," a CVC fund	Raise profitability and enhance risk control Create further innovation and maximize performance Cooperate with other companies to enhance WaaS options and improve the quality and efficiency of services

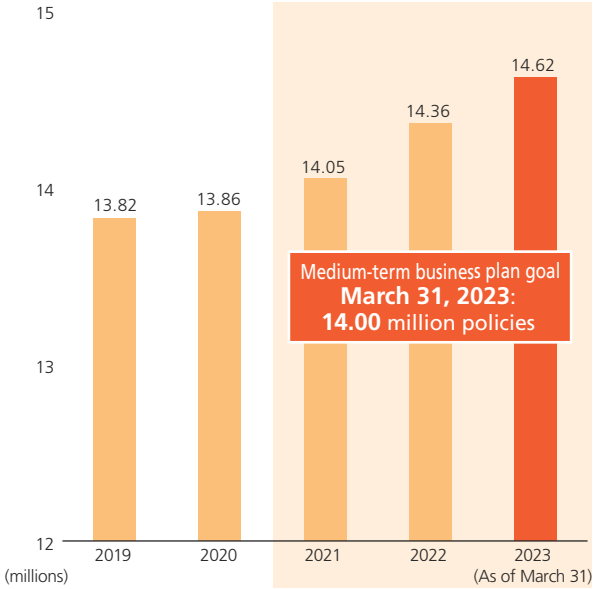
Sumitomo Life Medium-Term Business Plan 2025 (Action)

Key goal indicators (KGIs) performance results

In "Sumitomo Life Medium-Term Business Plan 2022," we set numerical targets for the number of customers (insurance policies), annualized premiums, annualized premiums for living benefits, medical coverage and others, core business profit from domestic business, and core business profit from overseas business, and we achieved all of the targets.

Number of Customers (Insurance Policies)

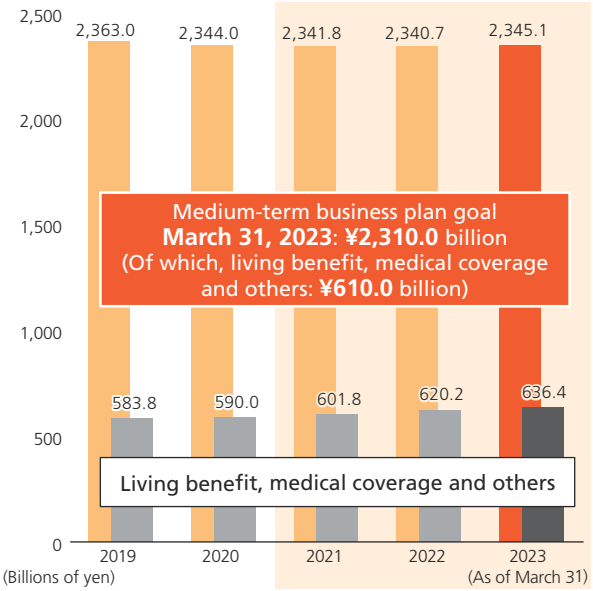
(Sumitomo Life + Medicare Life + business alliance partners)



Annualized Premiums from policies in Force

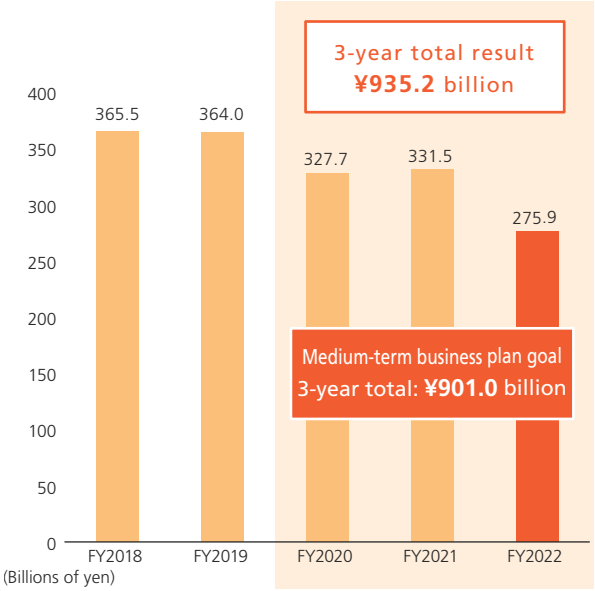
Annualized Premiums for Living Benefits, Medical Coverage and Others

(Sumitomo Life + Medicare Life)



Core Business Profit from Domestic Business*

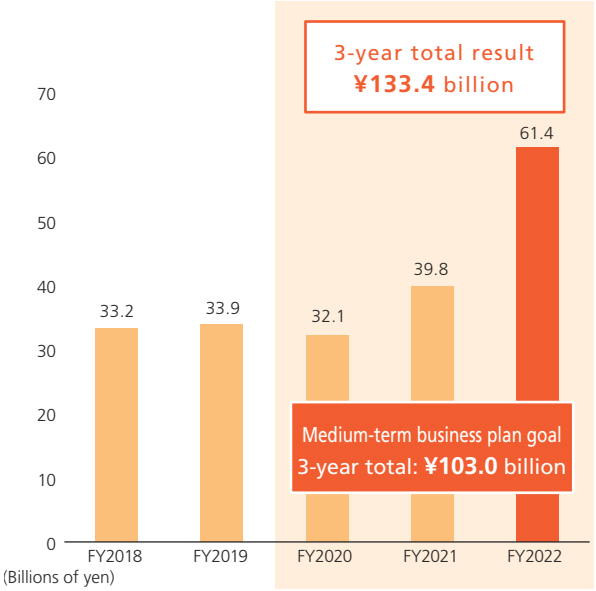
(Sumitomo Life + Medicare Life)



*Core business profit based on definitions prior to revisions. Not includes foreign exchange hedging costs, etc.

Core Business Profit from Overseas Business

(Symetra + 4 companies in Asia)



Sumitomo Life Medium-Term Business Plan 2025

Given that "Sumitomo Life Medium-Term Business Plan 2025" is the first three years of the "Sumitomo Life Group Vision 2030," we will steadily implement measures to realize the plan, including investments for the future, even in the midst of an expected severe business environment, and establish a path to success in 2030.

Overview

Because it will be important to strengthen and build out past initiatives, we will continue to engage in the Key Items of Sustainability and will also expand the well-being domain through four initiatives: "advancing to well-being design," "realizing innovation in new domains," "earnings structure reform," and "Group strategies." As the engine for ensuring our realization of these initiatives, we will increase productivity by enhancing "human value," digitize insurance administration procedures, create and supply content that maximizes the value of data, and more to enhance our provision of services that "fuse human value and digital technology."

In addition, we will inculcate purpose management—the foundation of these initiatives—inside and outside the Company, work to eliminate scandals and compliance violations and otherwise foster the desired corporate culture, and consider measures to counter projected business risks, all in an effort to enhance the sustainability of our businesses.

—Becoming an "indispensable insurance group" that contributes to well-being—

Establishing the path toward achieving Vision 2030

Contributing to health promotion

Providing a sense of security through insurance

Supporting fulfilling lifestyles

Countries and regions, local governments and companies

Growth for our business partners

Improving the global environment

Stimulating and improving the engagement of human capital

Expanding the well-being domain through four initiatives and two engines

Advancing to well-being design p. 38

We will move beyond simply providing products and services centered on insurance consulting to provide comprehensive services (including non-insurance service domains) regardless of the channels to maintain and increase our customer base. We will establish a sales structure that allows us to remain rooted in communities and on the same page as customers.

Earnings structure reform p.56

We will strengthen asset management and overseas business, implement cost controls, and promote other comprehensive efforts that contribute to sustained, consistent growth with the aim of improving the sustainability of the Sumitomo Life Group.

Realizing innovation in new domains p. 52

In order to contribute to well-being for all, we will develop and implement WaaS, enhance services in new domains, and expand the number of customers who can receive the Group's services.

New domains: WaaS, small amount & short-term insurance or "mini" insurance

Engine

Human capital development p. 64

Group strategies p.56

We will formulate strategies to realize "Sumitomo Life Group Vision 2030" as a Group and promote management with a sense of unity and synergy while promoting Groupwide initiatives to resolve environmental and human rights issues.

Engine

Digital & data p. 70

Strengthening and building out past initiatives: Promoting initiatives for sustainability p. 26

Fostering a better corporate culture

Business risk countermeasures

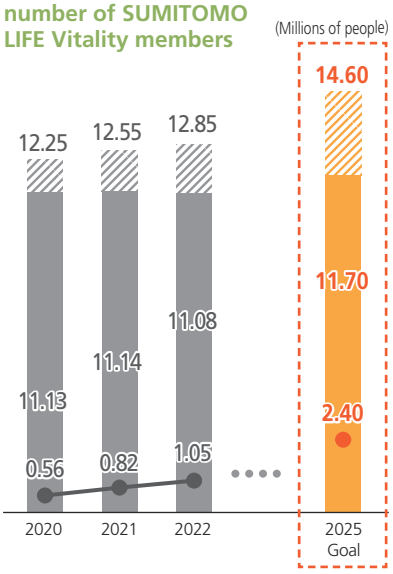
We will inculcate purpose management inside and outside the Company, work to eliminate scandals and compliance violations and otherwise foster the desired corporate culture, and consider measures to counter projected business risks.

Key goal indicators (KGIs)

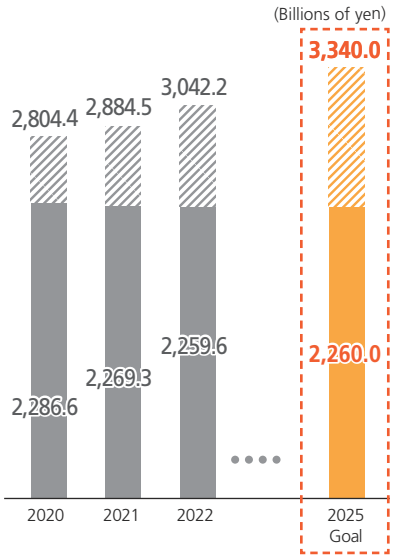
As the key goal indicators (KGIs) of "Sumitomo Life Medium-Term Business Plan 2025," we have set the following targets and will work to fully achieve them.

		Group	Sumitomo Life (non-consolidated)	
Providing the value of well-being	Number of customers receiving the value	**Number of customers receiving the value of well-being** (Japan) **14.60 million** Sales representatives channel: Number of insured people Associated products: Number of policyholders Agency channels: Number of insured people Corporate insurance / group pensions: Number of people enrolled Vitality Smart*1: Number of members Medicare Life: Number of insured people Shop subsidiaries: Number of policyholders WaaS users: Number of users in a given year Small amount & short-term insurance or "mini" insurance: Number of policies in a given year	**Number of customers receiving the value of well-being** (Sumitomo Life) **11.70 million** Sales representative channel, associated products, agency channels, corporate insurance, group pensions, Vitality Smart*1	Vision 2030 medium-term goal of at least 20 million customers receiving the value of well-being
	Symbolic actions		**Number of Vitality members** (Sumitomo Life) **2.40 million**	Vision 2030 medium-term goal of at least 5 million SUMITOMO LIFE Vitality members
Sustained, consistent growth	Top line	**Group annualized premiums** (Sumitomo Life + Medicare Life + Symetra) **¥3,340.0 billion**	**Annualized premiums** (Sumitomo Life) **¥2,260.0 billion**	Top line indicators generating future profits
	Bottom line	**Group core business profit*2** (Sumitomo Life + Medicare Life + Symetra + 4 companies in Asia) 3-year total **¥730.0 billion**	**Core business profit*2** (Sumitomo Life) 3-year total **¥600.0 billion**	Indicators oriented toward capturing stable realized profit

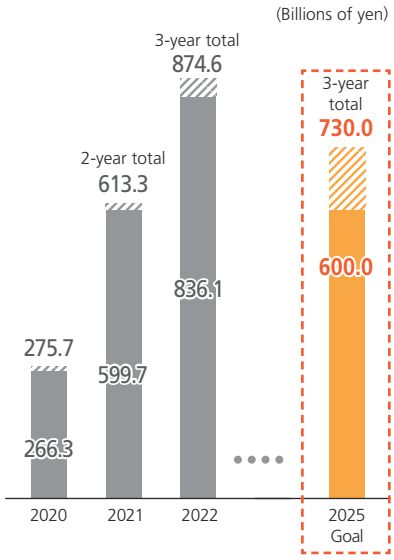
Number of customers receiving the value of well-being (Japan) / number of SUMITOMO LIFE Vitality members



Group annualized premiums



Group core business profit*2



Group | Sumitomo Life (non-consolidated) | Number of SUMITOMO LIFE Vitality members

*1 The name of the product that is a part of the Vitality Wellness Program provided on a stand-alone basis separate from the insurance policy.
*2 The core business profit is based on the new definition applied from fiscal 2022, including the inclusion of hedging costs related to foreign exchange in the calculation. Figures for prior years are also calculated using the same definition.

Advancing to Well-being Design

We will move beyond simply providing products and services centered on insurance consulting to provide comprehensive services (including non-insurance service domains) regardless of the channels to maintain and increase our customer base.

In addition, we will establish a sales structure that allows us to remain rooted in communities and on the same page as customers.

Providing a sense of security through insurance and contributing to health promotion

We will increase the value of the customer experience by fusing "unique human value" and "digital technology" (e.g. developing AI- and other technology-based activities and consulting support) to provide products and services optimized to the customer's circumstances and situations.

Specifically, in addition to making efforts to develop advanced products and expand optional products to expand SUMITOMO LIFE Vitality, we will develop attractive savings-type products and competitive products in the agency channel.

As for corporate insurance, we will promote the enhancement of group insurance for three major diseases (Hospita A and Hospita V) and the development of new products.

We will strengthen the system to provide comprehensive services that transcend channels in customer support and continue to promote the establishment of an integrated customer follow-up system for branch offices and the main office and the digitization of insurance procedures and follow-up services.

Creating a group of highly competitive human capital who provide well-being

We will make efforts to develop sales representatives (well-being designers) who help provide services attuned to customers and strengthen our sales system.

In addition, we will strengthen our management and instructor training to improve retention rate of sales representatives and promote revisions to evaluations of sales representatives with the aim of providing well-being to our customers.

Supporting fulfilling lifestyles and providing well-being services rooted in communities

We will provide support for local corporations' health and well-being management and local government initiatives with all of our executives and employees.

As a specific initiative in local governments, we will provide a community-based well-being service called "Vitality Walk" by offering a portion of the Vitality Wellness Program to residents free of charge for a certain period of time in cooperation with local governments.

Through these efforts, we will maintain and increase the number of insurance customers, and expand the numbers of customers receiving the value of well-being and SUMITOMO LIFE Vitality members by providing Vitality that is close to customers and rooted in the community.

		2025 medium-term plan goal
Number of customers receiving the value of well-being (Japan)		14.60 million
Group annualized premiums		¥3,340.0 billion
Sumitomo Life (non-consolidated)	Number of customers receiving the value of well-being	11.70 million
	Number of SUMITOMO LIFE Vitality members	2.40 million
	Annualized premiums	¥2,260.0 billion

Initiatives in Business Channels

Sales Representatives (life designers)

Awareness of business environment

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.

While the response to new coronavirus infections is moving toward normalcy, the future is more uncertain and difficult to predict than ever before, and it is expected to continue to change at an accelerated pace. In addition, we believe that the digitalization and non-contact shift will advance to a certain degree following the COVID-19 pandemic, and that the standards demanded by customers will become more sophisticated and diverse in proportion to the higher quality of products and services provided. In this context, we have established the "well-being designer" as "our vision" for our sales representatives who can respond flexibly and accurately to customer needs.

In order for each and every employee to be able to approach customers as a "well-being designer," we will strengthen our efforts in knowledge acquisition, including the social security system, activities utilizing digital tools, and "human capital development" to enhance the "human value," which is the foundation of such activities.

Assumptions

- Declining birthrate, aging population, and increase in single-person households
- Possibility low interest rates may continue
- Diversification and accelerative change of customer needs
- 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

Initiatives in sales representative channel

Evolution to well-being designer

In FY2022, the final year of the three-year "Sumitomo Life Medium-Term Business Plan 2022," we have been making efforts to become an "indispensable" life insurance company by supporting our customers with "human beings" and "digital technology" and contributing to "well-being for all" under the three basic policies of "contributing to society," "being trusted by society" and "adapting to social change," which are stated in the Plan.

From FY2023 onward, we will steadily evolve into a well-being designer by improving the level of our sales representatives and the quality of our customer service, as stated in the "Sumitomo Life Medium-Term Business Plan 2025," in order to realize the vision of "Sumitomo Life Group Vision 2030." Specifically, in addition to the existing insurance area, we will provide services in the "non-insurance" area to support our customers' fulfilling lives, and expand the scope of our activities, including contributions to local communities, more than ever.

For individual customers, we will engage in activities to inform them of the new product, "Income Passport." For customers with existing policies, we have expanded the products covered by the conversion system so that they can review their coverage more freely, and we will guide those customers in general visit activities to update and optimize their coverage.

In the "non-insurance" area, we also launched "Vitality Smart," which separates the Vitality Wellness Program from the insurance policy and provides access to some of the programs, such as Active Challenge. By delivering Vitality Smart to more customers, we hope to play a part in realizing a healthy and long-living society. In addition, as an approach for local governments and companies, we will strengthen our community-based well-being service offerings and support health and well-being management (CSR, welfare programs, etc.) through ongoing contact. Through these efforts, we will contribute to the well-being of our customers and local communities.

<Well-being Contribution Areas>

Contributing to health promotion	Providing a sense of security through insurance	Supporting fulfilling lifestyles
Health support centered on SUMITOMO LIFE Vitality	Continuing to be on the same page as customers to provide them with optimal assurances and services tailored to their individual needs	Providing comprehensive services that address generational needs
—Physical prosperities—	—Economic preparedness—	—Social connections—

Realization of provision of comprehensive services Evolution to well-being designer

Our vision Creating a group of highly competitive human capital that will stay close to customers and continue to provide well-being

Fusion of human and digital

In addition to "unique human value" of our sales representatives, we will contribute to well-being by providing services that "fuse human and digital" through the use of "digital" and other means in accordance with customer preferences.

Beyond that, we will create new value by using "digital & data" to supplement what human power alone cannot do.

As a specific service, "Pace Management & Disease Risk" utilizing Vitality's big data is a new feature of Vitality.

This allows the Vitality app to provide information on "Pacing to Goals," "Individualized Advice," and "Disease Risk."

In addition, through the creation of contact points and the evolution of services using "digital & data," we will provide high-quality, highly satisfactory consulting and services through a combination of face-to-face and non-face-to-face communication using "digital" in addition to the "unique human value" of face-to-face communication by our sales representatives.

SUMITOMO LIFE Vitality

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 -

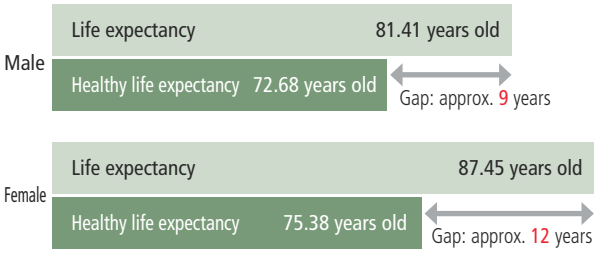
"Management Policy," which is our corporate philosophy, tells the importance of gaining an insight into the true nature of things in changing times and situations in order to achieve the goal of contributing to society. As exemplified by the SDGs, social issues in modern society are diversified and complicated. 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. However, there is a significant gap between its life expectancy and its healthy life expectancy, 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" 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 its 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"

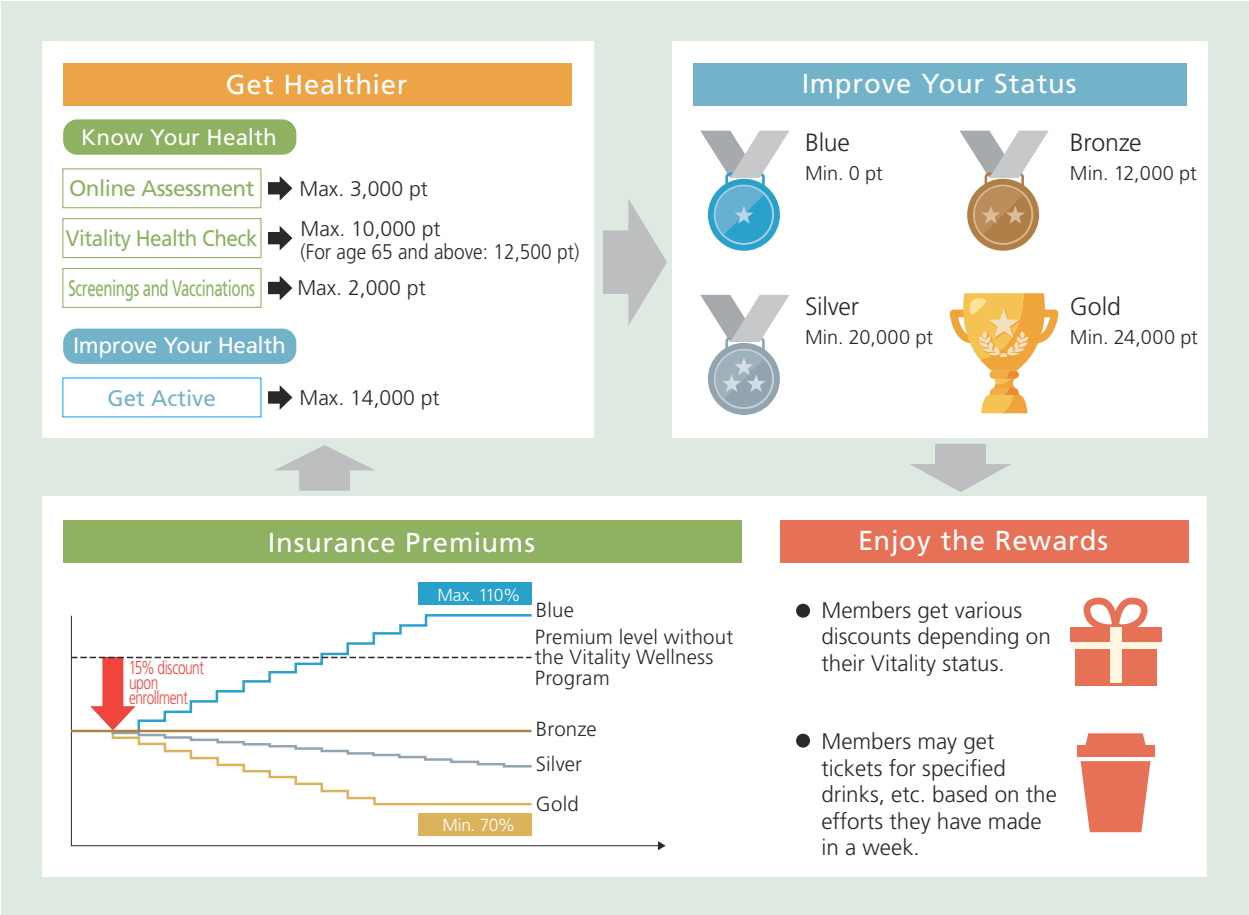
Launched in July 2018, SUMITOMO LIFE Vitality Shared-Value Insurance is a product that incorporates into life insurance the Vitality Wellness Program[*1], which supports continuous engagement in health enhancement activities. Besides the coverage that an insurance is originally expected to provide, SUMITOMO 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 40 countries and regions, including the UK, the US, China, Singapore, Australia, Germany and Japan, and has more than 30 million members[*3] (as of December 31, 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.
*3 The type of "Vitality" offered in other countries may vary depending on the countries where Vitality is introduced (such as non-life insurance or health insurance)

Vitality	✔ 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.

"SUMITOMO LIFE Vitality" - How It Works -



Vitality Smart launch

To support customers' efforts to improve their health, we offer SUMITOMO LIFE Vitality Shared-Value Insurance (hereafter, "insurance-type"), with the Vitality Wellness Program added to life insurance, and "Vitality trial version" (hereafter, "trial version"), which allows customers to experience part of the program for up to four weeks for free. In response, we have received many comments from customers who have used the trial version that they would like to continue using the Vitality Wellness Program after the trial. In order to contribute to the health enhancement activities of a wider range of customers, we launched "Vitality Smart," which allows customers to use a portion of the Vitality Wellness Program independently, in April 2023.

"Vitality Smart" is available for a monthly fee of JPY 330 (tax included) for up to two years, and like the insurance-type program, it provides a system that allows users to engage in activities for getting healthier with the goal of earning points and improving their status, as well as rewards that encourage getting healthier, such as discounts on fitness gym membership fees and wearable device purchases.

Through the expansion of such product lineups, we aim to become an "indispensable insurance group" that contributes to well-being.

Comparison among types of the Vitality Wellness Program

	Insurance-type	Vitality Smart	Trial version
Period provided for	Same as insurance terms	2 years	4 weeks
Point menu	Exercise Online check Providing the results of health checks, etc. Prevention	Same as on the left	Exercise Online check
Eligible benefits	All rewards	Active Challenge, etc. and some other rewards	Active Challenge

New function "Personalized Health Enhancement Support & Personalized Disease Risk Report" added

To encourage Vitality members to make healthier activities a habit, the new function "Personalized Health Enhancement Support & Personalized Disease Risk Report[*1]" is available from March 2023 to manage the pace at which points are earned toward the target status and to provide personal advice and disease risk report based on the status of efforts.

This function was independently developed based on various data obtained from "SUMITOMO LIFE Vitality," which has sold over 1.4 million policies[*2], research on how to deliver advice with the National Institute of Advanced Industrial Science and Technology[*3], and knowledge gained through digital projects undertaken to date. This function is the first of its kind in the industry[*4] for healthcare-related services provided by life insurance companies.

We will continue to develop products and services that provide new value to our customers, and to cultivate digital & data human capital to realize such value.

*1 To use this function, you must download the Vitality app on your smartphone or other device.
*2 Data such as step counts and health checkups from the Vitality Wellness Program, and payment data from life insurance policies.
*3 Joint research on "how to give health advice according to personality characteristics and health awareness," etc.
*4 Based on our research of 42 member companies of The Life Insurance Association of Japan (as of December 31, 2022).

Overview of Functions

Personalized Health Enhancement Support

Provides "health enhancement pace management" to achieve the target status set by the member and "personal advice" based on the member's individual personality and health promotion activity record.

- ✔ Manage the pace at which exercise points are earned to meet target status
- ✔ Provides personalized advice "recommendations for you" based on the member's personality, characteristics, and points earning status.

Personalized Disease Risk Report

Provides Disease Risk Reports based on members' health checkup results and health enhancement activities.

- ✔ Provide "health score" and "lifestyle-related disease risk" quantified for each member by analyzing the correlation between the member's health checkup results and exercise results over time and Sumitomo Life's payment data for insurance claims due to illness, etc.

VOICE

Staff Nishiyama
Keihan Branch Office Hirakata Minami District Office

We feel connected to the community through health promotion

I am working to promote the health (well-being) of our customers in the community by providing information on the Osaka Vitality Challenge, a joint project with the Osaka Prefectural Government, and participating in parkrun.

The Osaka Vitality Challenge offers the Vitality Wellness Program, which is available to all participants regardless of whether or not they have life insurance, and allows them to casually experience health enhancement through Vitality. One participant commented, "Since I won first the reward I wanted, I became more conscious of achieving my goal each week. I lost 5 kilograms of weight in a 3-month experience," which made me again realize the attractiveness and effectiveness of Vitality.

Even younger people who were less conscious about their health, but who were engaged in Vitality, commented that they enjoyed earning points and started to look at the results of their health checkups, and are now getting screened for cancer. I am committed to raising health awareness especially among young people through Vitality. I myself became more conscious of the number of steps I walk each day after joining Vitality. I will continue to value our connections with our customers in the community and work to improve their health through Vitality.

Wholesale (products and services for corporate customers)

Environmental awareness

The environment surrounding companies is changing dramatically. In order to secure workers in the midst of an anticipated labor shortage, it is essential for companies to create a safe working environment for their employees, and expectations for corporate welfare programs are growing ever higher. In addition, the number of companies that engage in "health-focused management" and "support for balancing medical treatment and work" for their employees is increasing every year. Amidst such conditions, corporate managers are required to combine social security, corporate welfare, and self-help in a well-balanced way 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.

Looking back at fiscal year 2022

Since its launch in 2018, group insurance for three major diseases has been introduced by many companies and is helping to support a balance between medical treatment and work.

In fiscal year 2022, we introduced "CancerWith for Sumitomo Life," an online cancer counseling service, and "Mystar," a support service for the prevention of aggravation, as new supplementary services, enabling us to provide a wide range of support from early detection of the three major diseases to treatment and return-to-work support.

CancerWith for 住友生命 Mystar

Future initiatives

In fiscal year 2023, based on the newly formulated "Sumitomo Life Group Vision 2030" and "Sumitomo Life Medium-Term Business Plan 2025," we will further promote the establishment of a system to support corporate welfare systems by expanding the group insurance for three major diseases, developing and promoting new products, enhancing various corporate support menus, and improving the convenience of various corporate procedures through the fusion of human and digital technologies.

Furthermore, by providing health enhancement campaigns to companies through Vitality Health-focused Management Type, we will not only support the health enhancement of employees, but also contribute to the further enhancement of value for Sumitomo Life stakeholders.

Corporate client product lineup

	Corporate welfare system, etc.	Corporate-oriented products
Prepare for employee security, retirement benefits, etc.	Condolence and death benefits	Comprehensive welfare group term insurance
	Non-statutory occupational injury compensation system	
	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)
	Loan guarantee system	Group credit life insurance Group credit life insurance/cancer coverage rider Group credit life insurance/three major disease coverage rider
Promoting employee self-help	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
	Self-help subsidy system	Sumitomo's asset building pension plan Sumitomo's property accumulation housing savings Sumisei asset building savings plan
Security for Exective	Condolence and death benefits	Comprehensive welfare group term insurance / Prime Fit for Corporate
	Retirement and severance benefits	Emblem GP Emblem New Long-Term Plan
	Medical coverage system	Medical coverage insurance (group type) Doctor GO for Corporate

Enhanced corporate support menu

Seminar for employees

① 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 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 utilizing a voting function.

② Asset building seminars

By providing participants with basic knowledge for asset building and encouraging them to think about their investment behavior in preparation for the era of the 100-year lifespan, the program supports behavioral change "from saving to investing."

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

③ 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.

④ 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.

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 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.

Health enhancement campaign

① Vitality Health-focused Management Type

We are pleased to offer a free health enhancement campaign (4 weeks). Participants are guaranteed to get rewards for meeting their exercise goals set for each week.

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 implement web-based procedures for group term life insurance and group insurance for three major diseases for corporate administrative staff to complete the enrollment and withdrawal procedures, as well as for employees to complete their enrollment procedures and review coverage. The new system is designed to reduce the workload and improve the efficiency of office staff by making them paperless and reducing the amount of paperwork required by mail, and to improve convenience by allowing employees to complete subscription procedures at home.

In addition, from January 2024, web-based implementation is also scheduled for defined benefit corporate pension insurance. In addition to the procedures for entering and leaving the company by administrative staff, claim procedures for retirement benefits, pensions, and other benefits will be possible on the web.

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

Initiatives in Business Channels

Bancassurance Banks, Financial institutions, etc. and Insurance Outlets

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. Moreover, It is expected that customer needs will continue to diversify further in the future. 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 progress in various services and lifestyle changes
- 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 and establishment of a flexible product development system
- Support for promotion of customer-oriented business operations through provision of easy-to-understand information to customers and other measures

Looking back at fiscal year 2022

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 2022, 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 2.50 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 (as of March 31, 2023)

Since launch 2,500,280 policies

*Sumitomo Life'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 are conducting activities in person and remotely, and implementing 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.

From November 2022, paperless handling of medical insurance (*Tayoreru* YOU Plus: a whole life insurance substandard disclosure with interest dividends every five years) for those who have given up purchasing insurance for health reasons has started at post offices. This is an effort to reduce the burden and improve the efficiency of the over-the-counter operations, and to provide coverage to customers in a timely manner.

Future initiatives

In fiscal year 2023, based on the newly formulated Sumitomo Life Group Vision 2030 and the Sumitomo Life Medium-Term Business Plan 2025, 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 aim to create materials that are easier to understand. We will continue this effort in the future.

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	■ Overview of agency services ■ Company profile of Sumitomo Life, etc.
	Pre- and post-enrollment training	■ Product overview ■ Practical training related to sales contracts ■ Compliance training, etc.
Upskilling training	Life insurance training	■ Product training ■ Case studies ■ Upskilling training for sales ■ Grief care training ■ Compliance training, etc.

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 April 2022, we revised our mainstay products, such as "New MEDI-FIT A," a whole life medical insurance policy, to enhance its benefits, 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 1.6 million in March 2023.

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.

メディケア生命
住友生命グループ

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 "Dear Baby," a medical insurance policy for expectant and nursing mothers that can be purchased regardless of the number of weeks of pregnancy, 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 fiscal year 2022, we began offering "Heatstroke Insurance" and "Influenza Sympathy Payment Insurance" as dedicated products for "PayPay Insurance" within the PayPay app, a cashless payment service.

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.

住友生命グループ
アイアル
アイアル少額短期保険

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 83 outlets (as of March 31, 2023) 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, 2023), 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 29 outlets in operation as of March 31, 2023.

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/

VOICE

Manager Sasaki
Hoken Hyakka Carino Esaka

Proposals we make are tailored to each individual's needs

As a manager of "Hoken Hyakka" insurance outlet operated by Izumi Life Designers Co., Ltd., a Sumitomo Life Group company, I provide customers with life plan consultations, propose insurance policies that meet their needs, and manage the store.

Customers come to us with a variety of needs and concerns. Even if you want to "review your insurance policy," the nature of your concerns will vary from customer to customer. For this reason, we listen carefully to your thoughts and try to prepare carefully so that we can make the right insurance proposal for you. The most rewarding thing for us is to hear "thank you" when someone is satisfied with the proposal.

The manager is also responsible for the training of his/her staff. Similarly, we tell our staff about the importance of careful interviews and careful preparation for proposals. For less experienced staff in particular, we offer advice immediately after serving customers and work with them to determine how we can make proposals that are more customer-friendly. Gradually, these staff members became confident in their ability to conduct interviews and make proposals, and when customers were satisfied, I was even happier than when I was there myself, and I think that is the best part of being a store manager. We will continue to work daily to serve our many customers and create a store that will be of service to them.

Key products offered by Sumitomo Life Group

Sumitomo Life

Whole life insurance

Yen-denominated products

- ふるは～と Jロード plus
- ふるはーと F
- ふるは～と L
- ふるは～と L〈介護プラン〉
- プラス つみたて終身保険

Foreign currency-denominated products

- ふるは～と Jロード global II
- プラス つみたて終身保険

Individual annuities

Yen-denominated products

- たのしみ未来
- たのしみ未来 学資積立プラン
- たのしみグローバル III 定率増加プラン
- たのしみグローバル III 指数連動プラン

Foreign currency-denominated products

- たのしみグローバル III 定率増加プラン
- たのしみグローバル III 指数連動プラン
- たのしみ未来
- たのしみ未来

Medicare Life/AIARU Small Amount & Short Term Insurance

Medical insurance, etc.

- メディフィットA
- 限定告知型医療終身保険(無解約返戻金型) メディフィットRe リリーブ
- メディフィットリターン
- メディフィット
- メディフィットEX
- がん治療保険(無解約返戻金型) メディフィット がん保険

Income protection: Term insurance

- 料率区分型収入保障保険(無解約返戻金型) メディフィット 収入保障
- 定期保険(無解約返戻金型) メディフィット 定期

<AIARU Small Amount & Short Term Insurance>

- 無線社会のお守り
- 会社会
- ディアベビー
- みんなの終身保険
- 子宝エール

*Tanoshimi Global III is available in either Japanese yen or foreign currencies (U.S. dollars or Australian dollars)

Products

Launch of "Income Passport"

In March 2023, we launched the "Income Passport" to cover a potential risk close to the customer's heart: a decrease in income in the event that the customer becomes unable to work for a short period of time.

Sumitomo Life conducted a questionnaire survey of those who have experienced hospitalization, and found that 67% (about 2 out of 3) of those who were hospitalized for more than two weeks (less than one month) experienced a decrease in income. Furthermore, 31% of those who experienced this decrease in income took about two months to recover their income, and 20% took about three months after being discharged from the hospital.

Company employees may receive an injury and illness allowance, but the amount paid is approximately 2/3 of their income and may not be sufficient to compensate for the decrease in income.

To prepare for such risks, the "Income Passport" pays a lump-sum payment equivalent to about three months of income protection after 14 days of continuous hospitalization.

Product development through business alliances

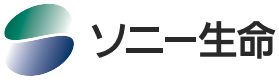
Sumitomo Life responds to a broad range of customer needs by forming business alliances as a means of responding flexibly to changing times.

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.

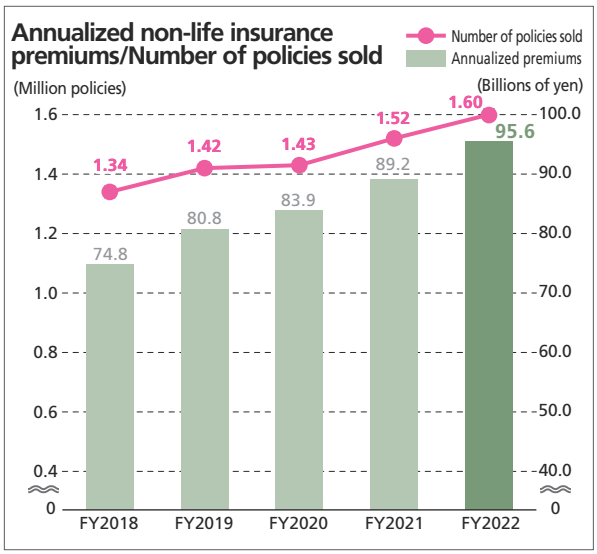


Non-life insurance business initiatives

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 totally through Sumitomo Life's sales representative channel.

As an agent of Mitsui Sumitomo Insurance, which has advanced risk consulting capabilities and one of the largest claims service networks, we are actively involved in the sale of non-life insurance. We respond to diversifying customer needs by providing the GK series (automobile, fire, and personal accident insurance), which responds to various risks such as disasters and accidents surrounding individual customers, and non-life insurance products and services that support corporate customers' business activities.

We will continue to provide "comprehensive coverage" that integrates life and non-life insurance to cover all risks in the lives of our customers and their families.



Services

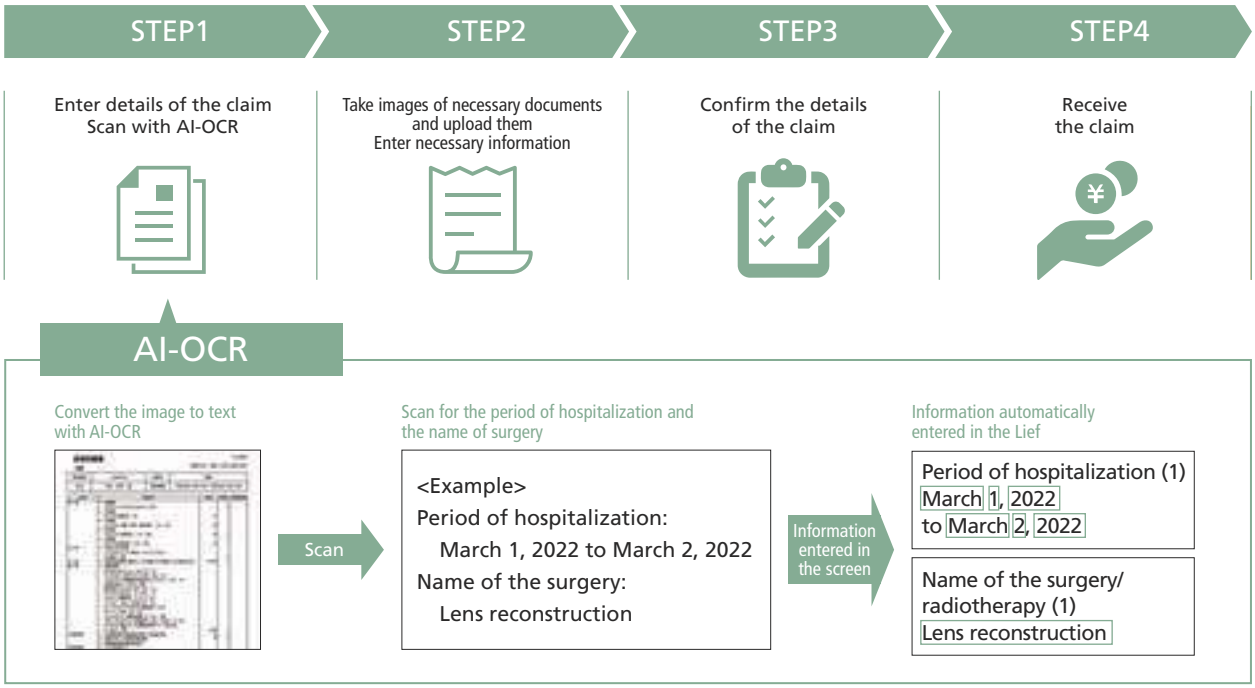
Web-based application service for payment claims

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.



Services

Electronic procedures through Sumisei Direct Service

By logging in to "Sumisei Direct Service" via the Internet—whether at home or away—customers can not only take the benefit claim procedures described above, but also check policy details, make deposits and withdrawals, change their address, and so on.

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.

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.

In addition, we have introduced an "AI automatic voice response service" (a service in which an AI engine recognizes the content of the customer's speech (voice) and completes the procedure through automatic voice dialogue) for some cases as a telephone contact that can smoothly accept procedures without making the customer wait, even when the call center receives a high volume of incoming calls.

Realizing Innovation in New Domains

With the launch of "SUMITOMO LIFE Vitality" and other initiatives, we have expanded our service offerings beyond the traditional domain of (financial) security to the domain of enhancing (physical) health and reducing the risk of individual diseases. During the three years of the Medium-Term Business Plan, we will further expand the well-being area through realizing innovation in new domains.
In order to contribute to well-being for all, we will develop and implement WaaS (Well-being as a Service), enhance services in new domains, and expand the number of customers who can receive the Sumitomo Life Group's services.

Contribution to "well-being for all" including health enhancement

In addition to efforts to enhance health, we will make efforts to develop well-being services based on the concept of happiness in spite of illness and aging.

Moreover, we will build a provision system to increase the number of members of Vitality Smart, which was launched in March 2023.

To make Vitality even more attractive, we will continue to upgrade the program and develop a Vitality program for corporate benefit use, etc.

Development of small amount and short-term insurance or "mini" insurance and WaaS implementation

In the domestic life insurance market, there is an increasing need to respond to the diversifying and fragmented needs of customers as the birthrate declines and the population ages.

Small amount and short-term insurance and "mini" insurance are areas where market expansion is expected in the future, and we will provide coverage in a more flexible manner by utilizing our subsidiary, AIARU Small Amount & Short Term Insurance.

We will also work to expand WaaS and develop and implement new services that will help "well-being for customers." In addition, through alliances with companies, local governments, etc., we will build a system that can provide services to a greater number of customers.

Creating innovation and frameworks for connecting with customers

We will build a system to deliver well-being to customers as the Sumitomo Life Group with a full lineup of insurance and WaaS services. In addition to the conventional insurance value we have been providing, we will expand our wings to non-insurance areas, not only through Sumitomo Life but also in collaboration with our business partners.

We will continue to invest in startup companies through our CVC funds to create innovation. In addition, we will further improve customer service by utilizing the collected data.

Through these efforts, we will increase the number of WaaS users and the number of policyholders of small amount and short-term insurance and "mini" insurance. We will also expand the number of customers receiving the value of well-being and the number of SUMITOMO LIFE Vitality members by providing Vitality Smart programs in various forms.

		2025 medium-term plan goal
Number of customers receiving the value of well-being (Japan)		14.60 million
Sumitomo Life (non-consolidated)	Number of customers receiving the value of well-being	11.70 million
	Number of SUMITOMO LIFE Vitality members	2.40 million

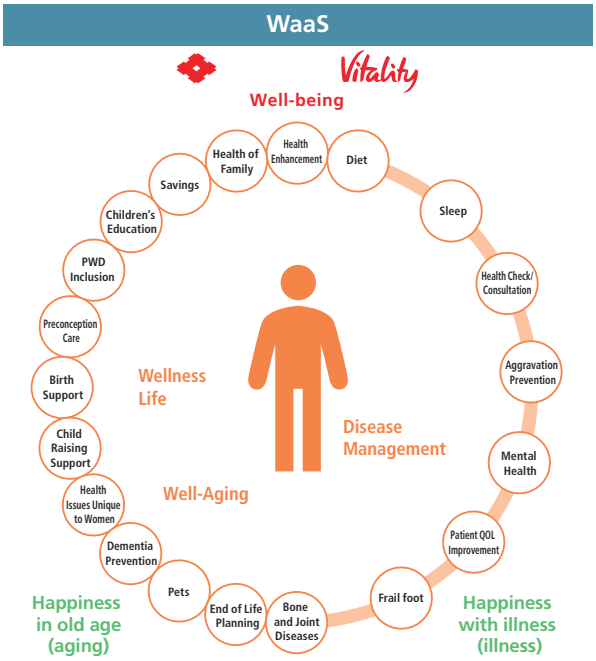
Well-being as a Service (WaaS) initiatives

Sumitomo Life aims to realize Sumitomo Life's unique value that will continue into the future by developing Well-being as a Service (WaaS) as an ecosystem that supports "well-being for all" with physical, spiritual, social, and financial satisfaction.

In addition to further promoting "health enhancement" through "SUMITOMO LIFE Vitality," which is the core of WaaS, we are also promoting open innovation initiatives in three areas.

In the area of "Disease Management" to help people live better despite illness, we conducted a demonstration experiment last year for a service to prevent the aggravation of lifestyle-related diseases, and started a social implementation project this fiscal year. In the area of "Wellness Life" to help people live better at various life stages, preconception care services are scheduled to be launched in fiscal year 2023 after conducting a demonstration experiment last fiscal year.

By expanding the scope of WaaS value provision, including the "Well-Aging" domain, we will increase the number of customers to whom we deliver well-being value. In this way, we will contribute to the realization of "well-being for all."



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 year 2023, we started a joint venture 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-modification support program of a company with which we create business. In the field of preconception care, we plan to launch the service in fiscal year 2023 after 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 nine startups (as of June 30, 2023) through CVC (Corporate Venture Capital), one of which went public through an IPO (initial public offering).

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 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 FUND

Initiatives for aggravation prevention

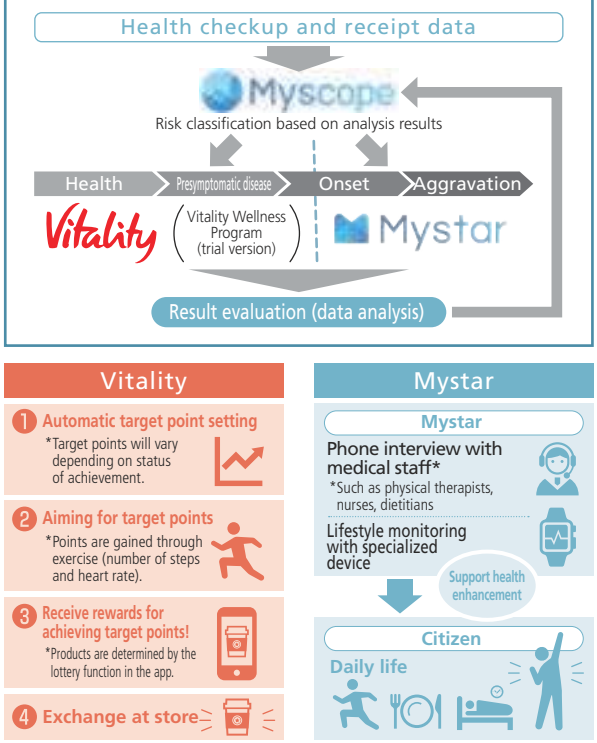
Sumitomo Life, together with PREVENT Inc., (hereafter PREVENT), is developing services to prevent the onset and aggravation of lifestyle-related diseases.

Based on the individual checkup results and receipt data, etc., risks are analyzed using medical data analysis "Myscope" of PREVENT, and depending on the results, either Sumitomo Life's Vitality Wellness Program "Vitality trial version" or PREVENT's a lifestyle-modification support program "Mystar" is provided.

This project has been conducted as a series of demonstration projects by local governments, and under the tripartite comprehensive collaboration agreement signed by Kashima City in Ibaraki Prefecture, PREVENT, and Sumitomo Life, the project has been offered to Kashima citizens as the "Kashima City MVM Healthcare Project" since fiscal year 2023, aiming to "supplement the lack of medical care and realize health that citizens can control themselves" as stated by the city of Kashima.

We will continue to develop services tailored to the issues faced by local governments and companies in order to "support the 'well-being' for all."

MVM Healthcare Project Image



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 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, demonstration experiments were performed by external companies. Based on them, the service is scheduled to be launched in fiscal 2023.

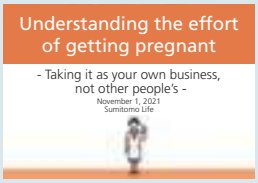
*See p. 55 for details.

Understand the current state at companies

Employee survey on infertility treatment

Provide opportunities to understand and notice

Online seminars /Pregnancy efforts archive collection



Self check test (Ovarian age assessment, etc.)

Support for people making an effort to get pregnant

LINE consultation

Online consultation

PFC-FD Insurance

PFC-FD Insurance was developed by three companies: Sumitomo Life, CellSource Co., Ltd., which is engaged in regenerative medicine-related business, and Sumitomo Life Group subsidiary AIARU Small Amount & Short Term Insurance Co., Ltd.

In the era of the 100-year lifespan, physical exercise and sports activities are extremely important as health enhancement activities to extend people's healthy life expectancy and improve their quality of life. Under such circumstances, the Sumitomo Life Group is developing services to contribute to the realization of a society of affluence, vitality and longevity through its insurance business. In addition, at CellSource, we have been studying the spread of regenerative medicine and PFC-FD™ therapy for diseases of the musculoskeletal system, etc., and the creation of a system to make patients more aware of the therapy. This alignment of the two companies' philosophies has led to the joint development of insurance products.

Osteoarthritis, the main target disease for PFC-FD™ therapy, is a disease that causes difficulty in daily activities due to joint deformation and inflammation. Among osteoarthritis, the number of patients with knee joint disease alone is estimated to be about 25.3 million in Japan, and it is said to occur more frequently in the elderly than in other age groups.

PFC-FD™ therapy is also expected to be effective in the treatment of sports injuries and is being introduced mainly by league member teams as a product that contributes to maintaining athletes' condition and extending their playing life.

Currently, we are promoting support for athletes, focusing on providing such services to various athlete organizations such as the J.LEAGUE, B.LEAGUE, business teams, and student sports teams.

CellSource

住友生命グループ
アイアル
アイアル少額短期保険

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 400 business ideas have been submitted in three years, and eight are currently being considered for commercialization.

Final screening held in November 2022

VOICE

Assistant Manager
Kotegawa
Next Business Planning Dept.

Initiatives towards marketing of "We need this kind of service" are ongoing

Grand Prize Winner of the 2022 Sumisei Innovation Challenge
(Transferred to Next Business Planning Dept. from fiscal 2023)

At the final screening, I presented my ideas to the management team. I felt firsthand the enthusiasm of the management team at that time, and realized that this was a "serious" initiative for the company. I don't think I will have many chances of directly appealing to the management by voicing my opinion that "we need this kind of service." I am now transferred to the Next Business Planning Dept., where I am trying to realize my ideas through trial and error. I will continue to work for the sake of my yet-to-be-discovered customers who need my ideas.

Sumitomo Life Medium-Term Business Plan 2025 Four Initiatives

Earnings Structure Reform Group Strategies

We will strengthen asset management and overseas operations, implement cost controls, and promote other comprehensive efforts that contribute to sustained, consistent growth with the aim of improving the sustainability of the Sumitomo Life Group. In addition, we will formulate strategies to realize "Sumitomo Life Group Vision 2030" as a Group and promote management with a sense of unity and synergy while promoting Groupwide initiatives to resolve environmental and human rights issues.

Strengthening asset management

We will increase investments in highly profitable assets and otherwise expand risk-taking within acceptable bounds in an effort to increase our earning power while making efforts to resolve societal and environmental issues. We will also take steps to stabilize earnings by limiting their sensitivity to exchange hedging costs in addition to making efforts to strengthen risk management, for example by visualizing the risks of profit and loss fluctuation in financial accounting. In addition, we will strengthen our systems (including strengthening collaboration with investment advisory companies in the Group) and develop expert human capital to improve the profitability of our asset management.

Improving productivity through resource optimization and cost controls

We will continue to drastically revise existing operations, strive to optimize resources, and promote a shift to highly creative operations. We will also implement cost controls through more selective investments and cost reduction in an effort to improve productivity. For new businesses that require time to become profitable, we will set out final destinations and an explicit priority before promoting initiatives with a long-term outlook.

Expanding overseas business

In our North American business, we will consider opportunities for new M&As while providing support for the growth of Symetra. We will establish a base for managing business in Asia and achieve more meticulous monitoring, business management, and synergy. We will also strengthen relationships with existing investees and consider new M&As. In addition, we will promote various initiatives to develop the human capital we need for global business.

Group strategies

We will strive to strengthen Group strategies—for example by formulating operating policy and business plans for the Group—and work together with subsidiaries to promote initiatives to enhance the sustainability of the entire Group. In addition, we will explore the use of alliances and administrative systems that integrate the Company with our subsidiaries. We will also consider further advancing the Group's business management system to accommodate expansion of well-being services and new M&As.

Through these initiatives, we will realize sustained, consistent growth in top- and bottom-line indicators, develop various initiatives on a Group basis and move forward with measures that integrate Sumitomo Life and its subsidiaries.

		2025 medium-term plan goal
Group core business profit		3-year total: ¥730.0 billion
Sumitomo Life (non-consolidated)	Core business profit	3-year total: ¥600.0 billion

Asset Management

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.

Under this policy, we have divided our asset management portfolio into two categories, the "ALM Investment Portfolio," whose purpose is to contribute to the secure payment of insurance claims, etc., and the "Balanced Investment Portfolio," which is for the sustainable enhancement of corporate value, and in line with their respective investment objectives, we promote the "enhancement of asset management profitability" and "strengthening of risk control." In addition, as a responsible institutional investor, we aim to both secure stable investment returns over the medium to long term and contribute to the realization of a sustainable society. (See p. 32 "Responsible Investment Initiatives.")

"Enhance profitability" and "strengthen risk control"

Divide asset management portfolio into two categories and further promote to manage them in line with their respective objectives

Two portfolios	ALM Investment Portfolio	Balanced Investment Portfolio
Operational objective	To contribute to the secure payment of insurance claims, etc.	To contribute to sustainable enhancement of corporate value (embedded value, or "EV")
Operational methods	Investment based on the premise of long-term holding	Flexible management in response to market outlook
Main target assets	Japanese Government Bonds Domestic and foreign credit assets (corporate bonds, etc.) Foreign bonds hedged against currency risk, real estate	Foreign bonds hedged against currency risk Domestic and foreign stocks Foreign bonds unhedged against currency risk

Responsible investment

Looking back at fiscal year 2022

Operational environment

In fiscal 2022, with economic activities increasingly being conducted alongside controls on the COVID-19 pandemic, the Japanese economy enjoyed a moderate recovery, though it was impacted by sharply rising resource prices. At the same time, the outlook for the global economy was marked by uncertainty against a backdrop of rising prices worldwide and monetary tightening by central banks in various countries.

Amid these conditions, on financial markets, interest rates in the U.S. and Europe rose substantially and interest rates in Japan increased as well. In addition, the external environment changed significantly as the gap between interest rates domestically and overseas widened due to differences in monetary policy between Japan and the U.S. causing substantial depreciation of Japanese yen and large increases in the cost of limiting the impact of currency fluctuations (foreign exchange hedging costs).

	March 31, 2022	March 31, 2023
Japan 10-Year Government Bond	0.210 %	↑ 0.320 %
Nikkei Stock Average	27,821.43 yen	↑ 28,041.48 yen
TOPIX	1,946.40 pt	↑ 2,003.50 pt
U.S. 10-Year Treasury Note	2.338%	↑ 3.468 %
USD/JPY	122.39 yen	↑ 133.53 yen
EUR/JPY	136.70 yen	↑ 145.72 yen

Initiatives

Responding to these changes in the external environment, we made major changes to asset allocations with the intention of securing future investment returns and strengthening risk control.

<ALM Investment Portfolio>

We promoted the reduction of domestic interest rate risk* by investing in ultra-long-term JGBs and other securities. Moreover, we reduced foreign government bonds hedged against currency risk, whose profitability had fallen due to higher foreign exchange hedging costs, and at the same time increased JGBs, whose profitability had increased, and foreign currency-denominated credit assets hedged against foreign exchange risk with medium-term investment potential.

*We invest in ultra-long-term bonds in relation to the liability characteristics of life insurance policies with long contract terms, which brings asset and liability durations into alignment and reduces interest rate risk.

<Balanced Investment Portfolio>

We reduced foreign government bonds hedged against currency risk as their profitability had declined due to the rising cost of foreign exchange hedging. In addition, given the increased economic uncertainty domestically and overseas resulting from steep interest rate hikes in the U.S. and Europe, we also reduced a portion of our domestic and foreign stocks, and at the same time increased foreign government bonds unhedged against currency risk, whose profitability had increased with higher interest rates overseas.

Future initiatives

Toward realization of our Medium-Term Business Plan 2025, we revised our medium-term asset management policy to increase and stabilize asset management profits and further promote responsible investment.

In fiscal 2023, the Bank of Japan will continue to maintain a loose monetary policy, but policy interest rates are expected to remain high in the U.S. and Europe and foreign exchange hedging costs are also expected to remain at a high level for the immediate future.

Amid such conditions, we intend to flexibly accommodate changes in economic and financial environments while continuing to reduce domestic interest rate risk and will promote initiatives to raise profitability and strengthen risk control.

Specifically, we will invest in ultra-long-term JGBs and other securities in stages and will consider additional investment when interest rates are rising. Further, we will work to improve profitability through expanded risk-taking within the limits of acceptable risk.

Moreover, in light of the uncertain situation overseas, where there is financial system instability and the risk of an economic downturn from monetary tightening in the U.S. and Europe, we will strengthen risk control through monitoring of economies and financial markets.

	ALM Investment Portfolio	Balanced Investment Portfolio
Key Points of fiscal 2023 Initiatives	✔Reduce domestic interest rate risk by continuing to purchase ultra-long-term JGBs and other securities ✔Expand investment in credit assets centering on foreign currency-denominated variable interest rate assets that offer high expected returns and are not impacted by foreign exchange hedging costs ✔Promote investment in infrastructure equity funds and project finance to raise profitability and also contribute to responsible investment	✔Expand investment in foreign government bonds unhedged against currency risk while monitoring exchange and interest rate levels ✔Invest in domestic and foreign stocks primarily in times of market adjustments based on market forecasts ✔Continue to reduce foreign government bonds hedged against currency risk in order to lessen the impact of higher foreign exchange hedging costs
	Strengthening of risk control	
	Promotion of responsible investment initiatives	

Outsourcing management of overseas corporate bonds to Symetra Investment Management Company (SIM): Demonstrating Group synergies

Since fiscal 2022, we have fully outsourced management of overseas corporate bonds to Symetra Investment Management Company (SIM), Symetra's asset management subsidiary, to improve analytical capabilities for individual issues and expand the range of issues we target for investment. By harnessing synergies within the Group, we are working to enhance asset management profitability and strengthen risk control.

VOICE

Assistant Manager Miyashita
Symetra Investment Management Company

Aiming to be a high-quality corporate bond analyst by drawing on local experience

I gained experience in credit analysis in Japan and since May 2022 have worked at SIM in the U.S. state of Connecticut as a corporate bond analyst for the financial industry. Since coming here it has been my sense that the analysts are highly experienced and their analysis and output are at a high level. On my team, timely, precise explanations are required, and I intend to do my best to provide high-quality work like the local analysts.

Overseas Operations

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 and to contribute to well-being rooted in each country and region—providing a "sense of security through insurance"— through collaboration with overseas investees and other partners.

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 affected the social and economic environment, but economic activities normalized more quickly than in Japan, especially in the U.S.

While the impact on financial results at overseas investees was limited, we intend to pursue further growth by continuing to implement measures that help raise productivity, including flexible work styles through the use of teleworking, online conferencing, non-contact customer service, and the computerization and automation of procedures, measures that have been conducted at the investees.

Assumptions

- Declining birthrate, aging and declining population in Japan
- Increased volatility in financial markets
- Evolution of technology related to the life insurance business

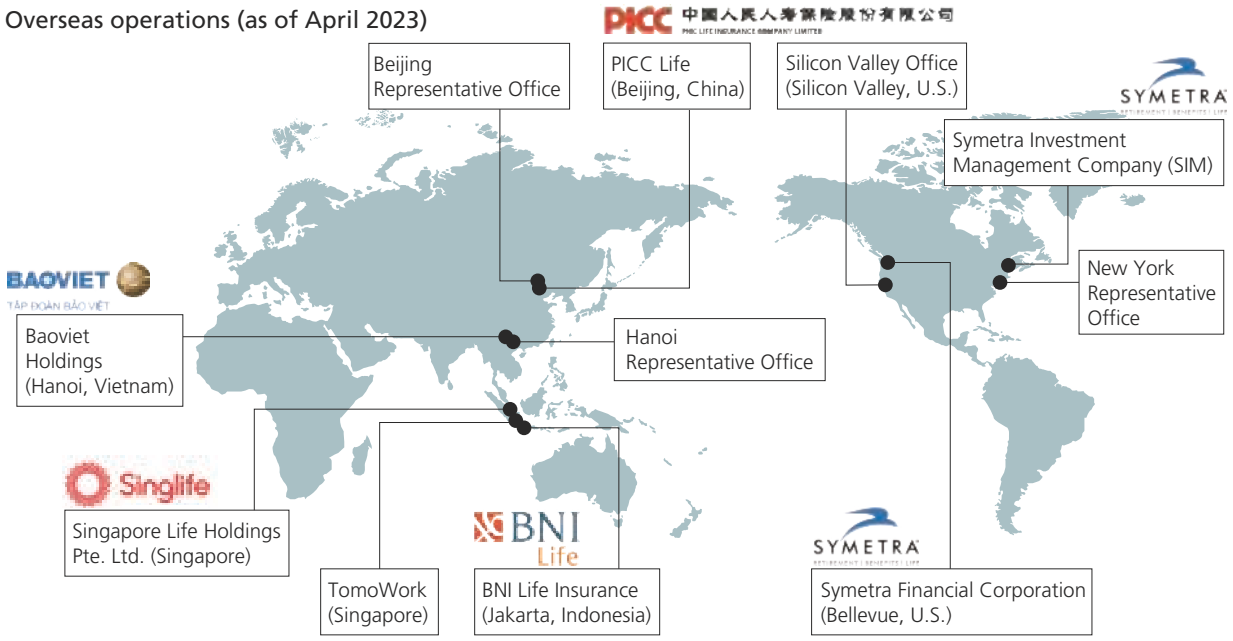
Risks

- Risk of contraction in Japan's life insurance market
- Medium- to long-term risk of instability in Japan's economy
- Necessity of cooperation with foreign entities

Measures

- Supplement earnings from domestic business through overseas operations
- Geographically diversify operations to heighten risk tolerance
- Achieve information collaboration and synergy with overseas investees

Overseas operations (as of April 2023)



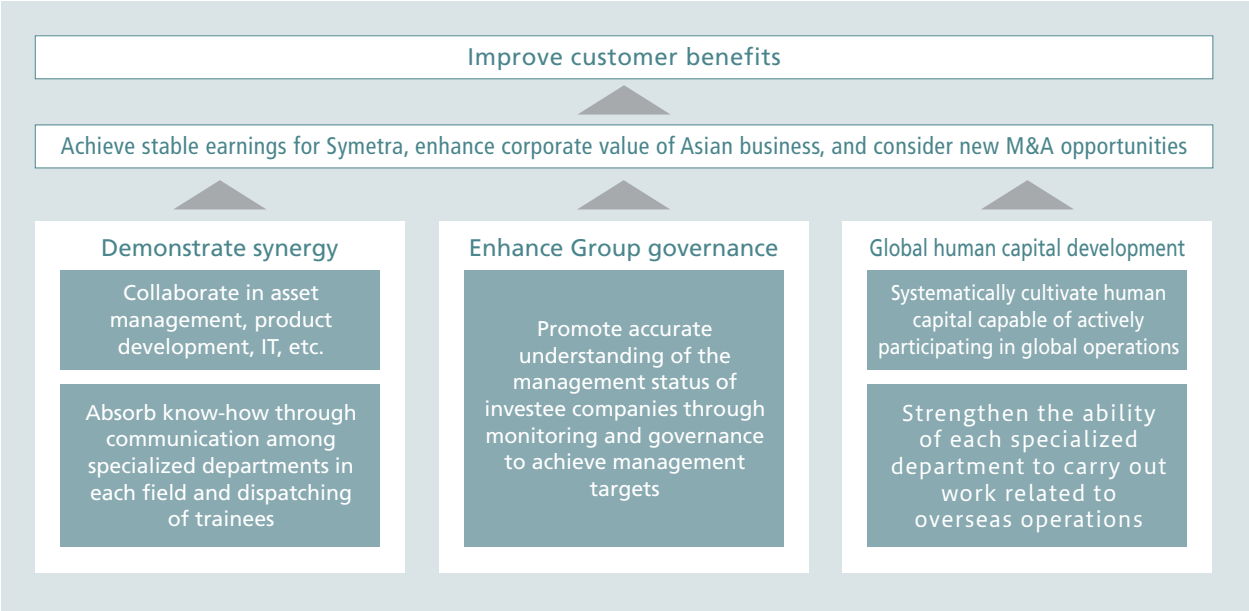
Initiatives in overseas operations

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 the market environment and economic conditions, including stock prices and interest rates, while fortifying Group governance. Moreover, we will continue taking measures toward generating synergies in the asset management field through SIM.

We will also 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.

Further, we will focus on cultivating global human capital to support our overseas business, and through information collaboration and synergy with our overseas investees, we will 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&As.



Efforts in global human capital development

Global human capital have wide-ranging opportunities to be actively involved in the Company's overseas operations, including communication with investee management teams and employees and initiatives for management and synergy-generation at investees in Japan.

These roles and jobs require not only language skills but an international outlook, communication ability, and leadership, so we need to systematically cultivate human capital who possess these skills and experience from a long-term perspective.

We therefore provide international study opportunities and dispatching to investees (employees and trainees) based on the employee's chosen career path and also conduct training in Japan.

Training in Japan for global human capital development

History of overseas operations

In November 2005, we invested in PICC Life Insurance Co., Ltd. (PICC Life). Our shareholding ratio is currently 10.0%.

In March 2013, the Company acquired 18.0% of the outstanding shares of Baoviet Holdings of Vietnam, making us the largest private shareholder after the Vietnamese government. In December 2019, we singlehandedly underwrote a capital increase, bringing our shareholding ratio to around 22.0%.

In May 2014, we acquired approximately 39.9% of the total number of issued shares of PT BNI Life Insurance ("BNI Life") in Indonesia by underwriting new shares issued by the company.

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 June 2019, we invested in Singapore Life Pte. Ltd. ("Singlife"), 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). Currently, our investment is in Singapore Life Holdings Pte. Ltd., and our shareholding ratio is approximately 23.2%.

In July 2022, we fully outsourced overseas corporate bonds previously managed by the Company to SIM, an investment advisory subsidiary of Symetra, dispatched personnel, and are working to create further synergies in the area of asset management.

In addition, we have established representative offices in New York, Beijing, and Hanoi to gather a wide range of information on overseas insurance and other businesses and have also set up an office in Silicon Valley that promotes initiatives related broadly to innovation. We use this office jointly with Symetra to gather information and conduct demonstration experiments. Through these initiatives we will continue to utilize our offices to review advanced case studies and consider future overseas business development.

Chairman of PICC Holdings (at the time) and Chairman of the Board Hashimoto

Baoviet Holdings BOD member Tran Thi Dieu Hang and President Takada

Courtesy visit by BNI Life Commissioners

Symetra CEO Margaret A. Meister and President Takada

Singlife Group CEO Pearlyn Phau and President Takada

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

BNI Life, a life insurance subsidiary of PT Bank Negara Indonesia (Persero), Tbk, one of Indonesia's major state-owned commercial banks, 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, and risk management, while also actively participating in management.

BNI Life results briefing

China

PICC Life is steadily expanding its operations by promoting a multi-channel strategy with around 100,000 insurance agents (sales representatives) and over-the-counter sales through banks. It ranks seventh among the 93 life insurance companies in the country in terms of premium income in 2022. We dispatch directors to the company and are active participants in its management.

Divisions from both companies meet at PICC Life

Vietnam

Baoviet Holdings, Vietnam's largest insurance and financial group, owns life and non-life insurance companies, as well as a securities company, asset management company, and other businesses. In 2022, Baoviet ranked first in 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.

Courtesy visit to Baoviet Life

Singapore

Singlife has a business model based on the use of advanced digital technology and low-cost operations, and it has steadily improved its performance since commencing operations in 2017. Singlife acquired a British insurance company (Aviva Singapore) in November 2020 and completed a business integration with the company in January 2022.

In addition to prioritizing customers and digital technology by utilizing Singlife's technologies with Aviva Singapore's business base and mainstay FA channel, we focus on delivering personalized services to each customer by expanding sales through the FA channel and deepening our mobile strategy. We have dispatched directors to the company and will continue to be involved in and support its management on a long-term basis.

Singlife executives visit Japan

Group Strategies

The Sumitomo Life Group is made up of subsidiaries and associates in Japan and overseas involved in life insurance, small amount and short-term insurance, insurance-related operations, asset management-related operations, and other businesses.

In "Sumitomo Life Group Vision 2030," which was recently formulated, our vision for 2030 is to become an "indispensable insurance group" that contributes to well-being, and we are promoting initiatives to raise the sustainability of the Group as a whole.

Group management control structure

Sumitomo Life has formulated the "Group Management Basic Policy." As the management company of the Group, we work to enhance the management control structure for the Group as a whole based on our operating policy and Internal Control Basic Policy by providing appropriate support for the construction of autonomous management control structures for subsidiaries, etc. based on their local legal systems, market environments, and business activities and by conducting efficient management.

Specifically, we have established management policies that include the "Group Compliance Policy," "Group Actuarial Policy," "Group Risk Management Policy," "Group Outsourcing Management Policy," and "Group Internal Audit Policy," and conduct management with an emphasis on ensuring the Group's soundness and the appropriateness of its operations while engaging in dialogue with Group companies. (See p. 87 "Internal Control" for details.)

Initiatives for generating Group synergies

Domestic life insurance subsidiaries are expected to see a major increase in the volume of policy servicing and payment procedures in the future as the number of policies in force increases through the companies' own growth and alliances with other life insurers. Based on this, a new Task Force Manager* position was established in April 2023 from the perspective of Sumitomo Life and its subsidiaries working jointly to increase the efficiency of administrative procedures and of considering the optimal allocation of human resources within the Group.

*Task Force Manager is a managerial position established in July 2021 without a fixed organizational affiliation. Task Force Managers are appointed as team leaders for strategic tasks.

During the period of the current Medium-Term Business Plan, we will carry out initiatives to build an optimal structure for insurance administration on a Group basis.

Efforts to solve environmental and human rights issues

The Group as a whole is promoting initiatives that contribute to the realization of carbon neutrality based on the recognition that the global environment, which faces climate change and other issues, is the foundation of a sustainable society. In March 2023, we set a goal for the Group in 2030 of reducing greenhouse gas emissions by 50% (compared to fiscal 2019 levels).

In addition, 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*, which are a part of our efforts for our Key Items of Sustainability, in accordance with the provisions of the "Sumitomo Life Group Code of Conduct" and the "Sumitomo Life Group Human Rights Policy."

*For details on our human rights initiatives, please refer to Sumitomo Life's official website. (Only in Japanese)
https://www.sumitomolife.co.jp/about/csr/initiatives/management_system/human_rights/index.html

Sumitomo Life Group Code of Conduct

We have established the "Sumitomo Life Group Code of Conduct" to ensure that the operating policy is put into practice at the behavioral level by executives and employees of Sumitomo Life Group companies and provide the basis for the entire Group to conduct ethical and responsible business activities.

Under the code, executives and employees confirm daily that their actions are appropriate from the three standpoints of "customers," "society," and "coworkers." While staying focused on the perspectives of customers and society, we monitor the direction of the times and steadily move forward as we cultivate a corporate culture that raises the value of each and every person.

Human Capital Development and Human Capital

What is essential for contributing to the well-being of customers and society is "human value." In order to enhance this "human value," we work to integrate our business and human capital strategies based on our operating policy, centering on the "Human Capital Development Headquarter," for which the president & CEO serves as senior general manager. An overview of specific initiatives is shown in the diagram below.

We aim to achieve the well-being of our customers, society, and employees by fostering a culture in which employees demonstrate their own value while growing independently and autonomously, establishing a "relationship in which both the company and its employees grow with one another and choose and are chosen by one another," and creating an environment in which employees are able to work with enthusiasm.

Hiromi Yamamoto Senior Executive Officer, Deputy Chief of Human Capital Development Headquarter

For Sumitomo Life to contribute to the well-being of its customers and society, it is necessary to realize the well-being of each and every employee, who is the "capital" of the company. To accomplish this, we must raise the value of people while "human capital" learn and grow with one another. We launched the "Human Capital Development Headquarter," an interdepartmental organization, in fiscal year 2021, and have considered human capital strategies that are linked to management strategies while working to foster the corporate culture and inculcate the principles of human capital development.

In fiscal year 2023, we made human capital development an engine for fully carrying out our "Sustainability Management Policy" and "Sumitomo Life Group Vision 2030" and established the Secretariat of Human Capital Development Headquarter, which was in the Human Resources Dept., as an independent organization. We will continue working to harness diverse human capital based on human capital development as we strive to become an "indispensable insurance group" that contributes to well-being.

Monitoring Related to Human Capital

Sumitomo Life initiatives related to human capital development (equivalent to human capital management) are deeply connected to our management philosophy and business strategies, and by realizing well-being for employees, we are aiming to contribute to the well-being of customers and society.

Our initiatives related to human capital development are broad-ranging, and initiatives with especially high priority and importance are positioned as "monitoring items." The value provided by these initiatives are rendered visually.

Key monitoring items are shown in the following table. Specific initiatives are provided on p. 66-69 and p. 109.

Key Monitoring Items

Items		Perspective of human capital development	Results
Dynamic human capital portfolio	Formulate and specify competencies (vision for employees) based on management strategies	Linking management strategies and human capital strategies	Started new competency management in FY2023
Reskilling and relearning	Number of people utilizing support for self-development expenses	Promoting autonomous reskilling and relearning	**2,105** people (+1,429 people year on year)
Diversity, Equity & Inclusion	Ratio of female managers	Establishing a work environment to support initiatives and demonstrating human capital diversity	**48.3**%
	Ratio of male employees who took childcare leave		**100**%
	Wage differentials between men and women (ratio of women's wages to men's wages)		**40.3**% (Note) Details are provided on p.109
	Ratio of employment of persons with disabilities		**2.4**%
Work style reform	Reduction in total working hours (compared to 2016)	Establishment of a work environment to support initiatives and work style reform	**-10.3**%
	Ratio of employees who took paid leave of at least one day per month		**81.8**%
Health-focused management (raise job satisfaction)	Ratio of employees who took the regular health checkups (Primary health checkups)	Establishment of a work environment to support initiatives and health-focused management	**100**%
	Number of participants in walking campaign		**22,075** people
	Ratio of employees who took stress check		**82.0**%
Engagement	Employee engagement score	Feeling a sense of engagement with the company	**61**%
	Environment for active employee participation		**72**%

Policy on Human Capital Development to Realize Well-being for Employees

Establishment of dynamic human capital portfolio

New competency management

Together with each department, we have formulated "TO BE" (what we aim to be) of human capital required to realize business strategies, ascertained the gap between this and "AS IS" (current status), and considered measures to fill that gap.

We made adjustments this fiscal year to existing competency management and established new competencies as our "vision for human capital" to provide guidelines for autonomous career planning.

Competencies are divided into three categories: "Sumisei competencies," which are required of all employees in common, "occupational competencies," which are required by job category, and "specialized competencies," which represent the type of human capital required by individual departments.

We will continue to make adjustments to the competencies in accordance with our "vision for human capital required" which will change with the times.

Manager development and career support

We believe that managers play a key role in human capital development in each organization and have therefore established the "manager competency" within "occupational competencies."

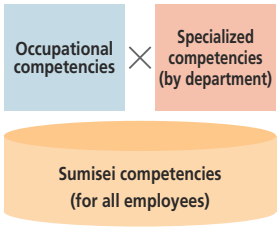
The program starts with an "orientation in support of career plan formulation" for all managers. Each participant envisions their own future and is helped to formulate a career plan. Other forms of support and tools are utilized as well with the aim of autonomous career planning.

Career Plan Guidebook

We created the new "Career Plan Guidebook" with comprehensive information on career development in order for employees to realize the vision they have for themselves.

The guidebook is composed of sections that go from "Visualizing your vision" to "Grasping your current status and setting goals," "Confirming your career path," and "Systematic skill development."

Our aim for the guidebook is that it be utilized to promote "dialogue" between employees and their supervisors based on worksheets for taking stock of one's career to date and confirming competencies that have been acquired.



Reskilling and relearning

Autonomous career planning

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 planning training and manager orientation

We started the training program to convey the importance of career planning and guide participants on the planning process. An orientation is also conducted for managers, the people who provide support.

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.

Initiatives that support self-improvement

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

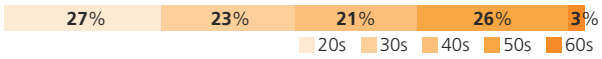
With a view to promoting and supporting employees' self-improvement toward further self-growth and increased productivity, the Company subsidizes a portion of the cost of correspondence and commuter courses, business schools, and outside seminars that employees take.

The annual upper limit was raised from ¥100,000 to ¥200,000 starting in fiscal year 2022, and the number of users has increased threefold from the previous year. The age range is also broad.

Number of users

FY2020	FY2021	FY2022
467	673	2,105

Ratio of users by age group (FY2022)



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 personal smartphones, tablets, or computers during their free time.

Foundation to Support Initiatives (Establishing a Work Environment)

Diversity, Equity & Inclusion (DE&I)

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

Sumitomo Life is 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 customers and society" by having our diverse human capital 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 diverse ways of working, such as teleworking and flextime systems. We have also implemented a personnel system whereby work styles can be chosen based on the scope of relocation, and in fiscal year 2022 introduced a vacation and leave system that can be used for infertility treatment. 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 360 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)

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 2023)	Ratio of male employees who took childcare leave (Fiscal year 2022 results)
48.3%	100%

VOICE

User of the system for supporting career progression

<Transferred to the Policy Change Processing Sect. in April 2021 for one year>

Nagoya Branch Office
Hitomi Yoshii
Deputy Group Manager

In the Policy Change Processing Sect., I mainly handled policy changes and payment expiration-related tasks and gained experience in work flows and other areas unique to the head office. It was a very valuable year. Since returning to the branch office, as the person in charge of office administration, I have used the knowledge I gained at the head office in daily policy servicing work.

VOICE

User of the childcare leave system

<Took 40 days of childcare leave in fiscal year 2022>

Sales Education Dept.
Tatsuya Ito
Assistant General Manager

Spending invaluable time with my son and wife deepened the bonds we have as a family. Further, the gratitude I feel toward my supervisors and colleagues for handling my work when I was away has significantly increased my engagement. Since taking the leave, I have come to interact with my co-workers with a greater respect for their diversity.

Promote employment of persons with disabilities

As a pillar of DE&I, we are actively working to employ persons with disabilities. As of April 2023, the employment ratio is 2.43%, 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.

TomoWork, a non-profit organization, has provided an employment support program to around 200 persons since the project was launched in 2019 to create employment opportunities.

Initiatives to support LGBT

As well as implementing human rights training that includes LGBT issues for all employees, 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 that we will not discriminate or violate human rights in any of our business activities. And we are involved in social contribution activities through such means as donations to LGBT support organizations.

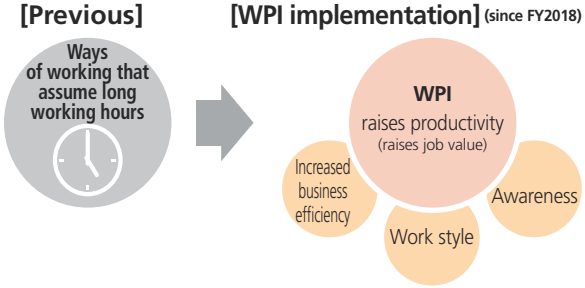
Foundation to Support Initiatives (Establishing a Work Environment)

Work style reform

Sumitomo Life has engaged in initiatives for Work Performance Innovation (WPI) since fiscal year 2018

Initiatives for work style reform: WPI implementation

We aim to allow each employee to focus on "customer-oriented work" using the time created through streamlining operations by introducing new systems 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.



Initiatives for fiscal year 2023

Each employee works to increase overall company productivity by thinking of others and the future and mutually deepening dialogue

Work from anywhere and at any time

Employees select work styles that raise the productivity of their department by intentionally choosing where and when they work, utilizing teleworking, staggered work shift, and flextime systems.
They carry out operations smoothly and quickly by sharing information and communicating closely regardless of where and when they are working.

Proactive, continuous review of operations

We will establish a cycle in which all employees maintain an awareness of issues in daily work and continually review operations.

An environment for working in good health and with enthusiasm

Employees will perform their duties independently and systematically and will systematically take paid annual leave at a pace of at least one day per month, leading to life enrichment and personal growth.
In addition, with the relocation of the Tokyo Head Office, we will implement a style of work that supports the further creation of value and disseminate it throughout the Company.

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."

The Sumitomo Life Group aims to become an "indispensable insurance group" that contributes to well-being. To achieve this, in addition to meeting the needs of customers for insurance and health enhancement, we are engaged in initiatives that support the well-being of all our stakeholders, including business partners and employees. 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 with the aim of realizing a sustainable future by contributing to the "well-being" of as many people as possible.

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 & CEO and comprises executive officers, with the aim of promoting health-focused management.

For health-focused management in fiscal year 2022, we set a target for employee health checkups of "proportion of persons eligible for secondary health checkups fewer than 30%," and as a result of our efforts we achieved a figure of 27.2% to meet the target.

In fiscal year 2022, the Company was recognized for its efforts, and for the sixth consecutive year was certified as a "White 500" company of the 2023 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 2022)
Health management	■ 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. ■ Recommend and utilize stress checks.	Regular health checkups	Primary health checkup uptake rate	100%
			Proportion of persons eligible for secondary health checkups	27.2%
			Secondary health checkup uptake rate	62.9%
		Special health checkups	Uptake rate	78.6% (fiscal year 2021)
		Specified health guidance	Guidance completion rate	44.6% (fiscal year 2021)
Reduction of health risks	■ Promote cessation of smoking. ■ Refraining from long working hours and initiatives for flexible work styles. ■ Promote communication.	Number of smokers	Proportion of smokers	23.5%
Encouraging health maintenance and enhancement activities	■ Leverage ICT to provide health information (lifestyle-related diseases, diet, smoking, etc.). ■ Hold "walking campaign" in spring and fall. ■ Conduct health events. ■ Encourage wearing of sports shoes during commute. ■ Promote improvement in exercise and eating habits. ■ Training and response to health issues specific to women.	Walking campaign	Number of participants	22,075

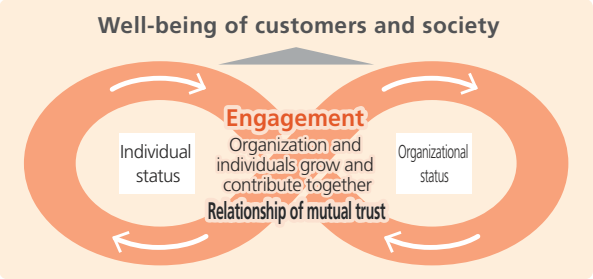
Engagement

In fiscal year 2021, we introduced the "engagement survey" as an indicator that measures the well-being of employees. In addition, through the "employee questionnaire," which we administer regularly, we continue to measure the level of penetration of brand strategy and the degree to which employees endorse the Company. "Employee voices" collected from various perspectives through this questionnaire and the engagement survey are utilized in a variety of initiatives.

About engagement

In order to realize well-being of customers and increase corporate value, each and every employee must work with a sense of fulfillment and vigor, and make maximum use of their individual abilities. We therefore prioritize employee "engagement*" and are fortifying our efforts to further improve it.

* Engagement in the context of human capital development initiatives expresses "the trust and affection employees have for the Company" and "their satisfaction with working at the Company."



Implementation of engagement survey

In fiscal year 2021, we introduced the "engagement survey" to understand the engagement status of employees at the Company and in each organization and to use it in a PDCA cycle to improve engagement.

The results of the FY2022 survey* are shown in the table below. Efforts are being made to address issues identified based on the results. Specific initiatives are shown at the bottom of the page.

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

Employee engagement score
61% (Ratio of favorable responses)
Environment for active employee participation
72% (Ratio of favorable responses)

Promotion of initiatives by each organization

The results of the engagement survey are shared with managers in each organization, and an environment is maintained that allows the issues and strengths and weaknesses of each organization to be identified and analyzed.

The engagement survey specifically measures the following items, and efforts are made to create action plans and implement PDCA cycles for the respective issues, with support provided by Human Capital Development Headquarter and other departments.

Company-wide initiatives

To convey the importance of engagement and support actions that help raise it, we have executives provide support for branch offices around the country.

Through dialogue that includes everyone from the management team to junior employees, we are working for a broad understanding of our management philosophy, our purpose (reason for existence), and the principles of human capital development and are carrying out efforts on a united, Company-wide basis to improve engagement while utilizing feedback from employees in various considerations.

[Overview of engagement survey items]

- Employee engagement
- Collaboration and communication
- Executive management, performance evaluations, and evaluation of strategic consistency
- Growth opportunities and environment for active employee participation
- Degree of customer orientation
- Work-life balance
- Promotion of diversity
- Corporate social responsibility and ethics
- Pay and benefits, regular interviews, performance reviews

Digital & Data

Definition and roles of "digital & data"

In contemporary society, new products, services, and business models emerge from the use of digital technologies and data, and this leads to further societal development and corporate growth. Sumitomo Life has positioned this "digital & data" as an engine for initiatives aimed at the realization of "Sumitomo Life Group Vision 2030."

"Digital & data" refers to using digital technology and data to help do what can't be done by the power of human alone in order to provide new value that fuses the human and the digital. Through drawing out the potential of digital and data to the maximum extent, we will work to create new products and services and maximize the value of the customer experience to contribute to the well-being of customers.

In addition, in order to demonstrate the value of "digital & data," we established the Digital & Data Headquarter in April 2023. The Digital & Data Headquarter designs and leads overall plan for digitalization and data utilization for the entire Sumitomo Life Group and also has the roles of supporting digitalization and data utilization by departments and optimizing the whole. Under this new system, we will robustly promote initiatives for the realization of "Sumitomo Life Group Vision 2030."

Digital & data strategy

At Sumitomo Life, we position life insurance as "Well-being as a Service (WaaS)," or "a service for the sake of well-being." We aim to build an ecosystem centering on "SUMITOMO LIFE Vitality" by joining with partner companies to create new WaaS services that transcend existing demarcations in the life insurance business.

Through this we will not only provide optimal insurance but also offer multiple services personalized for each individual and thereby contribute to the "well-being" of customers.

(1) Expanding products and services

By harnessing the power of digital and data, we will work not only to provide conventional insurance products but further evolve Vitality services and create well-being services in non-insurance areas. Through this we will offer products and services aligned with the diversifying needs and lifestyles of customers.

(2) Expanding customer contact points

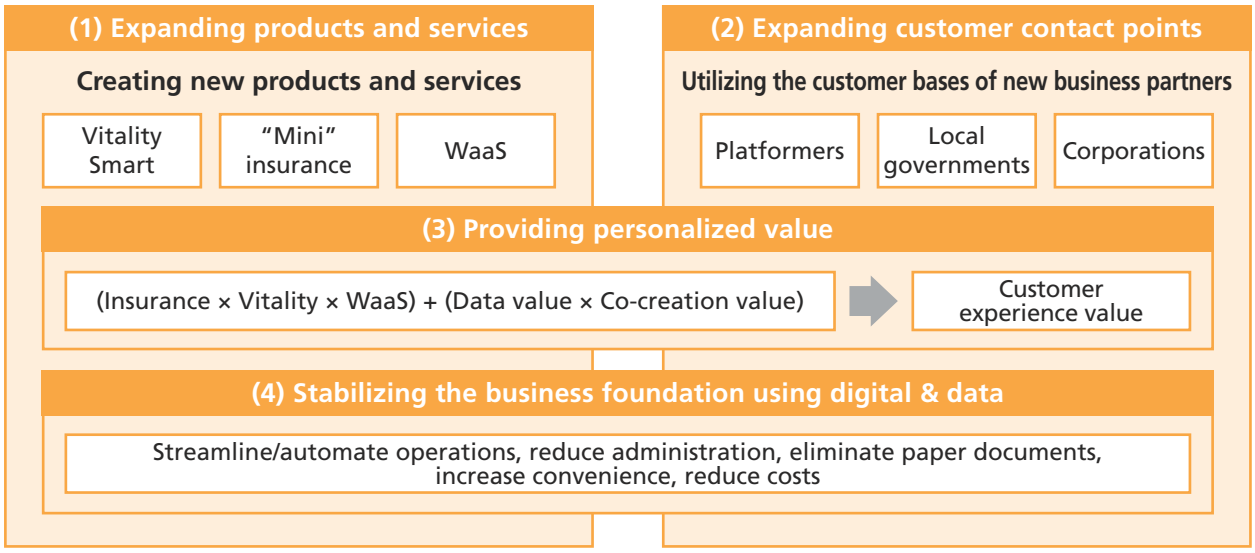
To create well-being services, it will be necessary to collaborate and co-create with new business partners, including local governments, corporations, and platformers. We will work to expand customer contact points by utilizing the customer bases of business partners and deliver well-being value to as many customers as possible.

(3) Providing personalized value

We aim to create customer experience value that is optimized to each individual customer by accumulating and utilizing customer contact point data and health data that is unique to Sumitomo Life and combining multiple products and services.

(4) Stabilizing the business foundation using digital & data

We will streamline and automate operations by utilizing the latest digital technologies, generative AI included, in order to further increase the value of the customer experience and will stabilize our business foundation in order to ensure the continuation of operations under an environment of continued contraction in the working population.



Promoting digitalization and utilization of information and communication technology

Efforts to maximize customer experience value

We have formulated the "Sumisei Medium-Term Systemization Plan 2025" to become an "indispensable insurance group" that contributes to well-being, realize Sumitomo Life Medium-Term Business Plan 2025, and achieve its numerical targets through the fusion of management strategies and IT/digital strategies and are constantly utilizing advanced ICT (information and communication technology) to further sophisticate our services.

We have built the Sumisei Data Platform (environment for data analysis) with functions that include accumulation, maintenance, and automatic analysis of big data and have been performing various analyses to provide new products and WaaS*1 to contribute to the well-being of customers, including the further evolution of "SUMITOMO LIFE Vitality" Shared-Value Insurance that utilizes exercise data obtained from wearable devices.

*1 Well-being as a Service. Services in support of "well-being for all."

In addition, in April 2023 we released "Sumisei Digital Concierge," a mobile app for customers, in order to meet diversifying customer needs and further raise convenience. Utilizing smartphone functions, the app allows for easy login, including to the existing Sumisei Direct Service through setting up biometric authentication, and allows procedures to be completed on a one-stop basis, from requests for documents and creation of insurance plans to viewing plan details and applications.

Going forward, we will continue to expand app functions and services provided, and through the fusion of "digital technology" and "value rooted in human" will promote the provision of services closely aligned to customer needs.

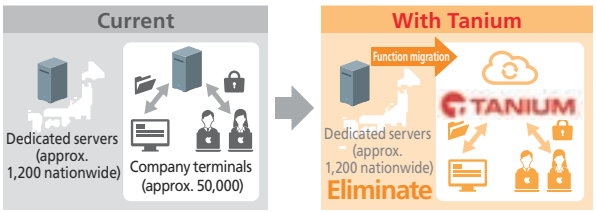
Formulation of a concept of the next system architecture and construction of a digital platform

In line with "Sumisei Medium-Term Systemization Plan 2025," we are also introducing and building new architectures and platforms for promoting digital & data.

We introduced "Platform Equinix®" provided by Equinix Japan K.K. in order to more quickly utilize various partner companies and outside services going forward. Previously, we had used external services through a cloud-first approach or made internal and external connections via an API collaboration platform*2, but the new platform will make it possible to stably and efficiently link the Company's systems with various cloud services. Going forward, we will accelerate system linkage with companies in other sectors with the aim of providing services better suited to each individual customer.

*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.

In addition, to upgrade applications and apply security patches on the approximately 50,000 terminals at the Company, we currently use a delivery system developed in-house that utilizes around 1,200 dedicated servers installed at sites around the country. In the future, we plan to eliminate the dedicated servers by switching this delivery function to Tanium, an integrated end-point management platform. This will allow us to reduce greenhouse gas emissions as well, contributing to "improving the global environment toward realization of carbon neutrality," which is part of Sumitomo Life Group Vision 2030.



Human capital development to promote digitalization

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

We have a "Digital/System" course available to new graduates with the aim of training and retaining employees who have interest in advanced technology, possess specialized knowledge and have 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, with the rapidly changing environment and increase in digital projects, skills and knowledge related to DX and digital are now needed in the user departments of systems, so the IT literacy of individual users of new digital tools also needs to be increased.

The Company has clarified its definition of "human capital with expertise in digital technology" and will conduct education based on the different categories.

Definition of human capital with expertise in digital technology

Human capital for digital planning

(1) Human capital who can plan and promote DX and digital projects

Possess an understanding of the basics of IT and data along with business

Human capital for digital utilization

(2) Human capital who can utilize digital and IT

Capable of mastering the use of various digital tools

Human capital for digital development

(3) Human capital who can conduct development using advanced digital technologies

Capable of conversing from a business perspective without partiality to digital and IT

Executive Fellow Dialogue

Tetsuyuki Yamada

Executive Fellow and
Human Resources Officer

Profile

Experience as a manager in various departments, including insurance sales, human resources, and training. Has also led the launch of many new initiatives. Extensive experience and a strong track record in human capital development in particular.

×

Kazuyoshi Kishi

Executive Fellow and
Digital Co-Creation Officer

Profile

Has served in information systems departments since joining the Company. Was in charge of system development for the launch of "SUMITOMO LIFE Vitality" Shared-Value Insurance. Possesses outstanding ability and a strong record of achievement in the digital domain.

We will deepen the connection between "human capital development" and "digital & data" and promote the creation of new value to become an "indispensable insurance group" that contributes to well-being.

With the social environment changing at an accelerating rate and business growing more sophisticated as well, there is an increasing need for business to be executed from a company-wide perspective by human capital possessing specialized knowledge in order for Sumitomo Life to further increase its presence. The Company has therefore introduced the Executive Fellow System, which appoints both internal and external human capital with a high level of specialization and confers authority equivalent to an executive officer. The first two Executive Fellows were appointed on April 1, 2023.
Led by Mr. Yamada and Mr. Kishi, we will promote "human capital development" and "digital & data" and further deepen initiatives with the aim of becoming an "indispensable insurance group" that contributes to well-being as stated in "Sumitomo Life Group Vision 2030."

Expanding the well-being domain

Q How do you envision an "indispensable insurance group" that contributes to well-being as stated in "Sumitomo Life Group Vision 2030?"

Yamada: Well-being is difficult to define, but put simply I see it as "sustained happiness." The Company's purpose is to "contribute to the advancement of social and public welfare," which is stated in the first clause of the "Management Policy," our corporate philosophy. This "social and public welfare" is itself the foundation for a "sustained happiness" that is not transitory, so I think there are close links with our philosophy.

To contribute to the very substantive value of "sustained happiness," there must be a strong willingness to treat it as one's own personal mission. Moreover, I'm acutely aware of the need for human capital who can think and act on their own initiative and who possess the latest knowledge and skills. To this end I think it is important that we first fully draw up a human capital strategy that is linked to our management philosophy and strategies.

Kishi: I think well-being is the inherent human desire to "live freely." With the rise of the Internet, voices desiring freedom that had been suppressed came to the fore and I think this is what led not only us but other companies and countries as well to begin to address "well-being." The Internet has brought people into contact with an enormous amount of information and allows them to choose what they want from it. I feel this is having a major impact on both consumer values and ways of doing business.

As such, we can't simply continue doing what we have done before; we need to create value that is appropriate to this new era, which calls for renewed focus.

Roles of Executive Fellows

Q What roles will you fill as an Executive Fellow in order for the Company to become an "indispensable insurance group" that contributes to well-being?

Yamada: How to incorporate the concepts found in our management philosophy and strategies into human capital strategy is something I see as an important theme. I have served as a manager in many branch office and head office departments and have led the launch of many new initiatives. Though the nature and purpose of these various operations may have differed, they shared in common an emphasis on human capital development from a long-term perspective. This is because though results may improve temporarily with stopgap measures, they won't last long. Drawing on the perspectives and knowledge I've cultivated through my experience in many departments, I hope to contribute to the realization of the well-being of society, customers, and employees.

Kishi: In contrast to Mr. Yamada, I have spent my entire career since joining the Company in systems departments, viewing the changes in companies and society at a fixed point from the perspective of digital and data. My activities though have not been limited to internal operations. I have also been active outside the Company, participating in various academic societies and presenting research findings.

At the Company, I have been involved in designing nearly all the systems accompanying the launch of new channels, from insurance sales at banks, which started around 20 years ago, to the development of drop-in insurance outlets. What fully solidified my position was my experience introducing "SUMITOMO LIFE Vitality" Shared-Value Insurance. SUMITOMO LIFE Vitality involved a system that utilized digital technology as it was linked to a smartphone app, which was still uncommon at the time. I drew on the personal connections I had made through my activities outside the Company to gather information and also had the role of communicating with executive management. With this as background, I think I was selected as an Executive Fellow because the Company has come to increasingly recognize the importance of utilizing digital & data. So the role I intend to play is promoting the further utilization of digital & data and training junior employees to delve deeper into it.

Executive Fellow Dialogue

Connections between human capital development and digital & data

Q "Human capital development" and "digital & data" are positioned as the two engines in "Sumitomo Life Medium-Term Business Plan 2025." How are the two connected?

Yamada: Linking management strategies and human capital strategy is truly the biggest mission I have before me. "Sumitomo Life Medium-Term Business Plan 2025" declares that we will expand the domain of well-being through four initiatives: "advancing to well-being design," "realizing innovation in new domains," "earnings structure reform," and "Group strategies." In order to vitalize these initiatives, each and every employee needs to first understand their background and purpose—why is it now necessary to engage in them?—and then become capable of thinking and acting as if they were one's own responsibility, asking one's self, "What is it I can do?" It could be said that this itself is human capital strategy.

When the decision is made to act, it will be essential that digital & data are utilized. Moreover, we will also need to develop human capital with expertise in digital transformation—people who are always thinking in terms of digital and who can plan systems that constitute the framework for operations and services.

Kishi: Digital & data has the potential to serve as a lever for strategy. For example, in promoting a strategy, even if you think that different tactics would be possible if there were twice as many sales representatives as now, increasing their number is not so easily done. When considering the best way of competing using a given resource, if digital & data are utilized, it becomes possible to raise operational efficiency and increase the value provided to customers.

I think that by utilizing digital & data, we can increase efficiency tenfold or hundredfold. Of course we also need to increase the ability of human capital to utilize the lever of digital & data. If we human capital who handle system design and operations study business, human capital who handle business study digital, and we deepen collaboration between the two, it will maximize the power of the lever and raise the propulsive power of digital & data as an engine.

Human capital in business departments though don't need to be experts in digital technology. Rather, they should consider what value to provide customers and how to raise operational efficiency by utilizing digital. In other words, their main task is developing the ability to design businesses and utilize digital & data as a lever.

Yamada: The utilization of digital & data is clearly an engine to drive initiatives, so I also think that everyone, including sales representatives, will absolutely need to have a certain level of knowledge and awareness related to digital and to polish skills for utilizing it. We are currently making considerations with a view to introducing a new development program and reforming the human resources system to this end.

At the same time, for human capital with DX expertise involved in system planning, we are planning to develop a more robust curriculum. We are also looking to cultivate and retain innovative human capital who create new businesses and will take a variety of approaches.

Current issues and working toward solutions

Q With various initiatives to be conducted going forward, what issues have you identified? And, what do you think will be necessary to solve them?

Kishi: Most employees have limited knowledge and experience related to digital & data, and something different from what they have mastered so far is being required of them. Our employees certainly have the desire to move forward on this, but they lack confidence and many have not taken the first step, which I feel is a major issue. If you are able to take that first step forward, the road will present itself to you and as you have various experiences you will naturally acquire knowledge and skills. I experienced this myself when "SUMITOMO LIFE Vitality" was introduced. I think part of my role is to convey to junior employees this success story of mine in order to encourage them to take that first step.

With regard to gaining experience as well, I think we need to build mechanisms that try to improve accuracy so that we are not taking on ten challenges to yield one success but rather are reducing the failures to two and generating eight successes.

Yamada: For Sumitomo Life, which has dedicated itself to becoming an "indispensable insurance group," I think it is extremely important that we place our focus outside the Company on society and our customers. To this end, it is first necessary that we possess "to be," "will," and "can." If we have "to be," who we wish to be, then "will" will emerge; we will be excited to move forward toward the goal. This is related to the confidence that Mr. Kishi mentioned. As we work with "will," what we "can" do will increase, and this will present a new "to be" as well. Strengthening this cycle will not only give individuals confidence but also serve to increase the value provided to society and customers.

The role of the company is to provide support so that this cycle of "to be," "will," and "can" for individuals is carried out smoothly. An issue we should address now is to build, not a relationship in which the individual is subservient to the company, but an equal relationship in which the company supports the autonomous value-raising activities of individuals.

Kishi: There are various issues that will be difficult for the company to solve on its own. The age requires that we bring together diverse knowledge and create value through new networks. The Company has a great many employees who have a clear awareness of problems and who take actions to try to solve them. Further increasing such actions that lead to increased operational and service value and expanding them internally and externally is, as Mr. Yamada has said, the role of the company in my view as well. Doing this will lead to important "co-creation" in our business currently.

Yamada: Taking on the challenge is most important. It is my hope that we all take that first step forward. And I intend to help create an environment in which the company fully supports people who take on challenges and that allows everyone to decisively take on challenges without fear of criticism.

Message from an Outside Director

To raise the level of governance toward realization of the Company's medium- to long-term vision from the perspective of supervising management, including risk management.

Kenzo Yamamoto, Outside Director

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

My biggest role is supervising management, including risk management, and being involved in management planning.

I worked at the Bank of Japan for 36 years and was primarily involved for many years in ensuring the soundness of the financial system and in crisis management operations, which included responsibility for responding to the global financial crisis of 2008 and to the Great East Japan Earthquake. Since I left the Bank, I have served as an outside director for manufacturers and financial institutions. I was appointed an outside director of the Company in 2019, so I have been in the position now for four years. In my understanding, I have three roles that are required of me.

The first is verifying risk management. Asset management is one of the Company's main business activities, so I primarily focus on risk management as it relates to asset management—interest rate changes, natural disasters, and, recently, the impact of the Ukraine situation on the global economy—and also the response to solvency regulations on an economic value basis that are planned for 2025.

The second role is supervising management, which includes risk management as I've just discussed. There is a tendency to think that outside directors provide advice and consulting for management, but that is not the case. The Company is a company with a nominating committee, etc., so business execution is basically assigned to executive officers. The role of outside directors is to provide supervision on behalf of policyholders on whether the executive officers are routinely carrying out business properly based on appropriate procedures.

The third role is to formulate mid-term management plan and monitor its progress. Outside directors hold discussions with the management team on important agenda items to be decided on by the Board of Directors, including how the Company will be managed over the medium to long term. We also verify the extent to which individual employees understand the contents of Sumitomo Life Group Vision 2030 and the Medium-Term Business Plan, which the Company has recently formulated, and monitor the progress.

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

In my view, the Board is very effective. We make a point to manage the Nominating Committee with an emphasis on "knowing who you are."

Regarding agenda items of the Board of Directors, we are provided with necessary documents and explanations beforehand. In addition, sufficient time is given to discussing important management issues, etc. and there is a lively exchange of opinions. Other than the Board of Directors, the Outside Directors Council, which is made up of outside directors, is convened frequently to discuss how the Company is to be managed over the medium to long term. The results of these discussions are consistently incorporated into management.

Regarding the effectiveness of the Board of Directors, it is assessed to be functioning properly and effectively in terms of both decision-making and supervision functions. Moreover, with respect to points in need of improvement, considerations will continue to be made going forward to help further raise effectiveness.

I have chaired the Nominating Committee and Compensation Committee since July 2023. The Nominating Committee considers the succession plan for the president & chief executive officer and makes appointments and also verifies the appropriateness of director appointments and personnel matters related to executive officers. In addition, as a prerequisite for this, every year we repeat a process of discussing and documenting the necessary qualities for directors and executive officers. The discussions involve people, so I will put emphasis on "knowing who you are", especially against fit and proper requirement. How does everyone envision the future of the company? I make a point of allowing time for in-depth discussions in order to more deeply understand people's thinking and values.

● What is your assessment of the long-term vision and initiatives for its realization?

I see the realization of well-being as the most important initiative, one the entire company should be involved in promoting.

In March 2023, the Company formulated "Sumitomo Life Group Vision 2030" and the new three-year "Sumitomo Life Medium-Term Business Plan 2025." The impetus for this was a proposal from executives. They wanted to first draw up a vision for 2030 and then backcast from there to create a three-year plan to 2025. There was a clear relationship between the vision and the action plan for its realization and how it was to be promoted was also assessed as being effective, so the Board of Directors gave its consent.

How should Sumitomo Life be in the future? What new value will Sumitomo Life provide? As the discussions by the Board of Directors and Outside Directors Council grew in depth, the major changes in Japan's demographics became the crux of the matter. In Japan, the proportion of the population aged 65 and older is increasing and birthrates are declining and lifespans growing longer to an unprecedented degree.

What is required in such a long-living society is not only physical health but the realization of health and happiness both psychologically and socially. In order words, we reached the conclusion that supporting the pursuit of well-being should be the ultimate aim of Sumitomo Life.

The pursuit of a society of well-being requires that the Company take a step forward from its traditional domain of insurance and develop services in a wider field of business, starting with health enhancement. At the same time, the Company needs to collaborate and co-create with outside partners rather than engaging in this pursuit entirely on its own. I see the essence of Vision 2030 as being companies, local governments, and communities that support well-being joining together to pursue the same goal.

The utilization of digital and data will be key to promoting and spreading "SUMITOMO LIFE Vitality," the core of services in support of well-being, so it is essential that the Company develop human capital to handle system development and utilization. From this perspective, with "human capital development" and "digital & data" as the two engines, the president & CEO is serving concurrently as the senior general manager of the Human Capital Development Headquarter and Digital & Data Headquarter, so this is being robustly promoted.

The Company has set clear targets as well. By the conclusion of the Vision in 2030, the Company is aiming to reach 20 million customers receiving the value of well-being and 5 million SUMITOMO LIFE Vitality members. We intend to work collectively as a company toward this vision for 2030.

● What are your future expectations for Sumitomo Life?

I expect Sumitomo Life to further expand the possibilities of "SUMITOMO LIFE Vitality" and grow as a company that supports a healthy and long-living society.

Through "SUMITOMO LIFE Vitality," a product based on an innovative concept, I would like to see Sumitomo Life continue and further develop its business while sharing with customers the joy of healthy and long lives.

Actually, I have been a "SUMITOMO LIFE Vitality" member now for two years, and I have a real sense for its effectiveness in helping to maintain physical and mental health. I also ask the sales representatives how they feel the response has generally been, and numerous times they have told me, "I'm able to recommend it to customers with confidence." There's no greater encouragement for employees than happy customers. So I hope they continue to value this experience. In addition, because "SUMITOMO LIFE Vitality" is a product that uses a digital platform, I also have great expectations with respect to initiatives for the next stage, including the creation of new services using accumulated data.

Sumitomo Life has as its purpose to "contribute to the advancement of social and public welfare" and has a mission of "contributing to the realization of a society of affluence, vitality, health and longevity." These phrases are extremely close conceptually to so-called sustainability. Contributing to a healthy and long-living society through business will lead directly to contributions to the sustainability of society and the environment. I am deeply sympathetic with this way of thinking. It is the way of thinking that runs through Vision 2030. It is my wish that the Company continue to grow as an "indispensable insurance group" that contributes to well-being by firmly fulfilling the mission it has set out for itself.

Corporate Governance

Mutual Company Management

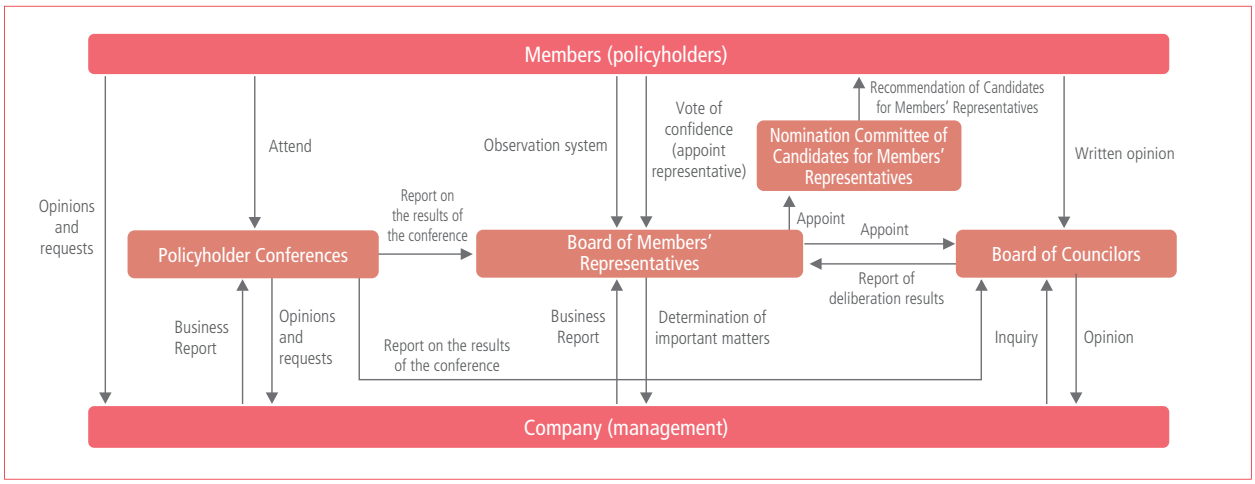
Life insurance is a business of a highly public nature based on a system of "cooperation" and "mutual aid." Many people make contributions through premiums and receive insurance claims and benefits in the event of death or illness.

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).

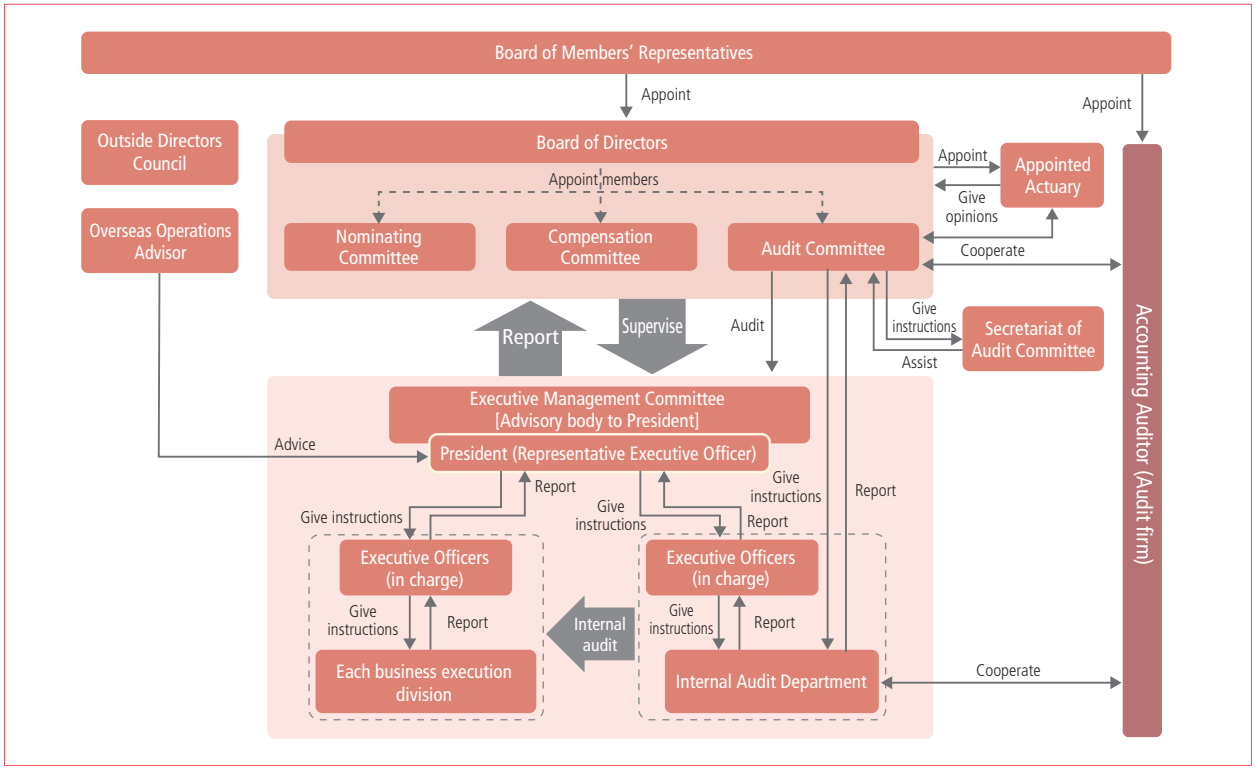
Unlike a joint stock company, a mutual company has no shareholders. Each policyholder is a member of the Company (however, policyholders who only purchase insurance with no distribution of surplus are not members in accordance with the provisions of Sumitomo Life's Articles of Incorporation).

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 Members' Representatives

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

The Members' representatives elected from among the members are invited to attend the Board of Members' Representatives.

■ Observation System for Board of Members' Representatives

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

Application procedures and related information will be posted on the website around May prior to the Board of Members' Representatives meeting.

*The number of Members' representatives and the method of appointment are listed on p.110

■ Results of the 2023 Annual Board of Members' Representatives

The Annual Board of Members' Representatives was held on Tuesday, July 4, 2023, in Osaka City, Japan. The matters reported and matters of resolutions are as follows.

Many Members' Representatives participated at the floor of the assembly this year, as COVID-19 infection has been moved to category 5 infectious disease. In addition, we continued to offer the opportunity to observe the meeting online so that Members' Representatives who were unable to attend the Board of Members' Representatives could view the proceedings.

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

Matters reported	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	Proposal 1: Approval of the proposed appropriation of surplus earnings for fiscal year 2022 Proposal 2: Allocation of dividends to policyholders Proposal 3: Partial amendment to the Articles of Incorporation Proposal 4: Appointment of 11 councilors Proposal 5: Appointment of 11 directors

2023 Annual Board of Members' Representatives

The minutes of the Board of Members' 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 Members' Representatives in order to coordinate with the latter.

Moreover, from the viewpoint of diversifying the appointment method of Members' representatives, a certain number of Members' 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.

■ 2023 Policyholder Conferences

In 2023, 89 meetings were held nationwide, which were attended by 1,697 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]

	2022	2023
Number of times held	89	89
Number of attendees (average per meeting)	1,587 (17.8)	1,697 (19.1)

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 Members' 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 2022.

[Fiscal year 2022 Board of Councilors]

	Agenda
1st meeting: May 2022	・Business overview and proposed financial results for fiscal year 2021 ・Initiatives for fiscal year 2022
2nd meeting: November 2022	・Business overview for the first half of fiscal year 2022 ・Next medium-term business plan and "Sumitomo Life Group Vision 2030"

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 Members' 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 Members' 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."

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 FY2022

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 number of directors (11) is judged to be of an appropriate size for substantive discussions, and outside directors make up the majority of directors (5 inside directors and 6 outside directors), which contributes to ensuring a supervisory function.
- Furthermore, outside directors are well-balanced with specialists with diverse knowledge and backgrounds in corporate management, finance and accounting, legal affairs, finance and economics, consumer orientation, diversity, digital and IT, internationalism, etc., which is appropriate for conducting full deliberations, but 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

- The frequency and duration of Board of Directors meetings are judged to be of an appropriate level. Items to be discussed have been continuously reviewed and appropriately filtered.
- Steady improvements have been made to the Board of Directors' meeting materials and the explanations given on the day of the Board of Directors' meeting based on the evaluation results of previous years, and we will continue our efforts to enhance deliberations by the Board of Directors in the future.
- 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 also function effectively as a forum for gaining the perspectives of other outside directors. We will continue to operate efficiently while paying attention to the balance with deepening the understanding of agenda items.

Enhancement of deliberations at Board of Directors' meetings

- It is judged that, under appropriate agenda management, free and vigorous discussions are taking place as a whole. In addition, through discussions on the formulation of "Sumitomo Life Group Vision 2030" and other related documents, the Company has shared and deepened its understanding of its medium- and long-term visions and strategies.

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, and appropriate measures are taken to contribute to their understanding of the Company's operations. We will continue to provide necessary and sufficient information in line with our business development and changes in the business environment surrounding the Company.

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.
- In addition, based on the future development of the Group and the operational status of the Group's management control structure, it is necessary to discuss the further advancement of the structure as necessary.

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 2021	Status of response in fiscal year 2022
Enhancement of discussions on important management issues	• The Outside Directors Council and the Board of Directors discussed the formulation of the "Sumitomo Life Group Vision 2030" and the next medium-term business plan, and the Board of Directors approved them. • The Board of Directors discussed the direction of future overseas business development.
Further improvement in the quality of materials and explanations that contribute to enhanced deliberations by the Board of Directors	• In order to enable the Board of Directors to focus on essential discussions on the day of the meeting, the following items were continuously and thoroughly addressed to the executive divisions. • Board of Directors meeting materials: Clarify the matters to be resolved and provide necessary and sufficient information for the Board of Directors to deliberate on matters and oversee execution through the preparation of summary papers and the effective use of body materials and annexes (Appendix). • Explanations at the Board of Directors meetings: The explanation should be focused on "the main points of the matters described in the summary paper," "the executive officers' views on the questions asked in the preliminary explanation," and "the discussions at the Executive Management Committee that affect the deliberations at the Board of Directors meeting."
Enhancement of exchange between outside directors and management	• Exchanged opinions with the executive officers through training sessions for outside directors, hearings at each committee, briefings in advance of the Board of Directors meetings, get-togethers, etc.

3. Future initiatives

Based on the above evaluation results, the following items were identified as major issues.

1) Provide timely and appropriate information to the Board of Directors and enhance discussions, taking into account changes in the social and business environment
2) Ongoing efforts to prepare and explain materials that contribute to the deliberations by the Board of Directors
3) Improve communication 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.

Activities of the Board of Directors

■ Meeting frequency etc.

Our Board of Directors meet once a month in principle and as needed. In fiscal 2022, the Board met 13 times.

The average duration of the Board of Directors meetings was approximately 1 hour and 47 minutes, and the number of agenda items was 126 in fiscal 2022.

■ Main issues examined and details

The Board of Directors makes decisions on important management matters, including basic management policies, business execution plans based on such policies, and the development of internal control systems, and receives reports on the status of important business operations and supervises the execution of duties by executive officers and directors.

Main issues examined by the Board of Directors in fiscal 2022 and their details are as shown below:

(1) Formulation of Sustainability Management Policy

In May 2022, the Board resolved to review our "CSR Management Policy" and revise it to the "Sustainability Management Policy" in order to clearly state our approach to becoming a company that contributes to the realization of a sustainable society, is trusted and supported by our customers and other stakeholders, and achieves sustainable and stable growth.

We also discussed our management philosophy system and positioned the policy as a mission to be fulfilled in order to realize our purpose, "Contribution to the advancement of social and public welfare."

(2) Formulated "Sumitomo Life Group Vision 2030" and "Sumitomo Life Medium-Term Business Plan 2025 and Fiscal 2023 Business Plan"

In formulating the new three-year plan that started in April 2023, the Board examined the vision of the Sumitomo Life Group toward 2030, and also examined the medium-term business plan by backcasting the issues and measures to be addressed in the next three years from the vision.

From the viewpoint of utilizing the knowledge of outside directors and reflecting various opinions in the business plan, the Outside Directors Council held discussions twice, and the Board of Directors deliberated on the direction of the plan and resolved "Sumitomo Life Group Vision 2030" and "Sumitomo Life Medium-Term Business Plan 2025 as well as the Fiscal 2023 Business Plan" in March 2023.

(3) Monitoring of compliance, risk management, management status of subsidiaries, etc.

The Board received reports from the departments in charge on the status of compliance with laws and regulations, risks, and the management of overseas and domestic subsidiaries and affiliated companies, and reviewed the plan.

In addition, the Board monitored the management situation by receiving reports on the status of business execution as appropriate, such as efforts to realize synergies with overseas investees, in addition to making resolutions on the review of policies and the formulation of the FY2023 plan based on the results of the review and other factors.

*See p. 84 for the activities of the Audit Committee.

Activities of the Nominating Committee

■ Meeting frequency etc.

Our Nominating Committee meets as needed. In fiscal 2022, the Committee met 10 times.

The average duration of the Nominating Committee meetings was approximately 1 hour and 22 minutes, and the number of agenda items was 16 in fiscal 2022.

■ Main issues examined and details

The Nominating Committee formulates the "policy for appointment of candidates for Directors," determines the content of proposals to the Board of Members' 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.

Main issues examined by the Nominating Committee in fiscal 2022 and their details are as shown below:

(1) Determination of the content of the proposal for the appointment of directors to be submitted to the Board of Members' Representatives

After deliberations based on the "policy for appointment of candidates for Directors," the Committee decided on 11 candidates for Directors, including one new candidate for Outside Director (Ms. Touko Shirakawa). Of the candidates for Directors, a majority of six are outside directors. In addition, in terms of the gender composition, one woman was increased to two and the number of men became nine.

(2) Appointment of executive officers, selection of representative executive officers, selection of senior managing executive officers and managing executive officers, and appointment of appointed actuaries.

On receiving consultation from the Board of Directors, the Committee deliberated on each candidate and determined the report to be given the Board of Directors.

(3) Consideration of matters relating to the election of directors and exchange of opinions regarding candidates for outside directors

The Committee deliberated on the number of directors, the ratio of internal to external directors in the number of directors, the term of office (maximum) for outside directors, diversity of outside directors, and the skills matrix for directors. In addition, based on the list of candidates for outside directors, opinions were exchanged regarding future candidates for outside directors.

(4) President succession planning

The Committee deliberated on the president's term of office, elements needed in a presidential successor, how to make contacts with potential successors as the Nominating Committee, and contingency plans. In addition, to help develop human capital and from the perspective of increasing contact between Nominating Committee members and potential successors, meetings were held to exchange opinions between Nominating Committee members and executive officers (as defined in our internal regulations) on the theme of management issues.

(5) Establishment of the "Executive Fellow appointment policy"

On receiving the consultation from the Board of Directors, the Committee deliberated on the Executive Fellow appointment policy and determined the report to be given to the Board of Directors.

Activities of the Compensation Committee

■ Meeting frequency etc.

Our Compensation Committee meets as needed. In fiscal 2022, the Compensation Committee met 5 times.

The average duration of the Compensation Committee meetings was approximately 24 minutes, and the number of agenda items was 10 in fiscal 2022.

■ Main issues examined and details

The Compensation Committee formulates "policies for determining the details of 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 policy on compensation for executive officers (as defined in our internal regulations), deliberates and reports to the Board of Directors.

Main issues examined by the Compensation Committee in fiscal 2022 and their details are as shown below:

(1) Resolution on individual compensation for executive officers and directors

After deliberations based on the "policies for determining the details of compensation for executive officers and directors," the Committee resolved the compensation for retiring executive officers and the compensation for executive officers and directors for fiscal 2022.

(2) Report on management compensation survey

Based on a report by Willis Towers Watson plc. on the results of a survey on compensation for management, it was confirmed that the executive officer compensation is reasonable.

(3) Report on the status of introduction of non-financial indicators into performance-linked indicators by companies in the financial industry

Based on reports on the status of introduction of non-financial indicators to performance-linked indicators by companies in the financial industry, we confirmed the status of each company and the schedule for future consideration of the introduction of non-financial indicators to performance-linked indicators at the Company.

(4) Establishment of the "policy for compensations etc. to Executive Fellows"

On receiving the consultation from the Board of Directors, the Committee deliberated on the "policy for compensations etc. to Executive Fellows" and determined the report to be given to the Board of Directors.

(5) Resolution on individual compensation for promoted and newly elected executive officers and directors

After deliberations based on the "policies for determining the details of compensation for executive officers and directors," the Committee resolved the individual compensation for promoted and newly elected executive officers and directors.

[Number of times the Board of Directors and Committee meetings were held and attendance of each director and member]

(FY2022 results)

Name	Position and responsibilities at the Company * As of March 31, 2023		Board of Directors	Nominating Committee	Compensation Committee	Audit Committee
Masahiro Hashimoto	Chairman of the Board, Representative Executive Officer	Member of Nominating Committee and Compensation Committee	13/13 times	10/10 times	5/5 times	—
Yukinori Takada	Director, President & Chief Executive Officer (Representative Executive Officer)	Member of Nominating Committee and Compensation Committee	13/13 times	10/10 times	5/5 times	—
Kenichi Nagataki	Director	Full-time member of Audit Committee	13/13 times	—	—	15/15 times
Hideyuki Sumi	Director, Senior Managing Executive Officer (Representative Executive Officer)	Government & Public Relations Dept., Corporate Planning Dept., Actuarial & Budgeting Dept., and Accounting Dept.	13/13 times	—	—	—
Kazuhiko Kusaka	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.	13/13 times	—	—	—
Toru Yamashita	Outside Director	Chairman of Nominating Committee and Compensation Committee	13/13 times	10/10 times	5/5 times	—
Kazuaki Kama	Outside Director	Chairman of Audit Committee	13/13 times	—	—	15/15 times
Kimitaka Mori	Outside Director	Member of Audit Committee	13/13 times	—	—	15/15 times
Toshiko Katayama	Outside Director	Member of Audit Committee	13/13 times	2/2 times	1/1 time	11/11 times
Kenzo Yamamoto	Outside Director	Member of Nominating Committee and Compensation Committee	12/13 times	10/10 times	5/5 times	—
Touko Shirakawa	Outside Director	Member of Nominating Committee and Compensation Committee	10/10 times	8/8 times	4/4 times	—

(Notes) 1. Kazuhiko Kusaka retired from working as a Senior Managing Executive Officer (Representative Executive Officer) at the end of March 31, 2023, and from working as a Director on July 4, 2023, respectively.
2. Kenichi Nagataki, Toru Yamashita, and Kazuaki Kama retired from their position as Directors on July 4, 2023.
3. For Toshiko Katayama, her attendance at the Nominating Committee and Compensation Committee meetings held during fiscal 2022 while she was a member of the Nominating Committee and Compensation Committee is shown in the table above. The table also shows her attendance at the meetings of the Audit Committee held during the fiscal year since her appointment as a member of the Audit Committee on July 5, 2022.
4. For Touko Shirakawa, the table above shows her attendance at the meetings of the Board of Directors, Nominating Committee and Compensation Committee held during fiscal 2022 since her appointment as Director and a member of the Nominating Committee and Compensation Committee on July 5, 2022.

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.

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 2022, the Committee met 15 times.

The average duration of the Audit Committee meetings was approximately 2 hours and 20 minutes, and the number of agenda items was 71 in fiscal 2022. All Audit Committee members attended all the meetings in fiscal 2022.

■ Main issues examined by the Audit Committee and status of its activities

Main issues examined by the Audit Committee and details

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 2022 and their details are as shown below:

(1) Efforts to foster a high-quality corporate culture (e.g., efforts to instill and establish the Sumitomo Life Group Code of Conduct)

With respect to efforts to foster a "high-quality corporate culture," which is regarded as an important corporate control environment, the Audit Committee confirmed the status of efforts to foster a high-quality corporate culture, focusing on the "Sumitomo Life Group Code of Conduct," which is a set of guidelines for executives and employees of the Sumitomo Life Group to put the operating policy into practice through their actions. To review the efforts being made for the code to spread and take root, and also the functioning of the corporate culture project team, 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.

(2) Principle-based and risk-based compliance management

With respect to the principle-based and risk-based compliance management, the Audit Committee reviewed the appropriateness and effectiveness of the compliance management by confirming the status of efforts to prevent major accidents by identifying warning signs and conducting compliance training for sales representatives, etc., through interviews with executive officers on the status of execution of duties and exchanges of views with branch office managers.

(3) Sustainability initiatives

With regard to sustainability initiatives, which are considered an important management issue, the Audit Committee confirmed the status of sustainability initiatives and disclosure policies in the Integrated Report, etc., and examined their appropriateness and effectiveness by hearing the status of sustainability initiatives from each executive officer and by checking the deliberations of the "Sustainability Promotion Council," which conducts cross-divisional discussions and reviews of SDGs-related initiatives.

(4) Overseas operations

Concerning overseas operations, which are one of key priorities of our business, the Audit Committee sent its full time member to the site of U.S. based subsidiary, Symetra and reviewed such matters as the business conditions of Symetra, 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.

(5) Business management on a group basis

Regarding the group based business management system established in fiscal 2021, 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 general managers of the concerned departments to confirm the operation status, etc. of group business management based on the Group Management Basic Policy and reviewed its appropriateness and validity.

Main Activities of the Audit Committee in Fiscal year 2022

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 2022, 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 eleven 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 group based compliance of laws etc. and risk management as well as the executive officers (as defined in our internal regulations) who were in charge of handling the super-aging society were each invited to exchange views with the Committee. In addition, the Committee met the representatives of three 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 Dept., 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 Dept. attended the Audit Committee meetings for all issues and offered their opinions as needed. From Accounting Auditor, the Audit 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 2022, 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 2022, 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 remote means were also used from the viewpoint of improving audit efficiency.

Accounting Audits

Status of Accounting Audits

Name of Accounting Auditor	KPMG AZSA LLC	Period of continuous audit	39 years
Names of certified public accountants engaged in audit work	Noriaki Habuto Yukihisa Tatsumi Takuya Nakayama	Composition of assistants involved in audit work	Assistants involved in audit work consisted of 14 certified public accountants, 7 persons who have passed the certified public accountant exam, and 28 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 2022 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	212	46	217	24
Consolidated subsidiaries	51	8	51	11
Total	263	55	269	35

○Fiscal 2021
Non-auditing services rendered to the Company included "preparation of comfort letter in support of the issuance of U.S. 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.

○Fiscal 2022
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."
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	—	2	—	5
Consolidated subsidiaries	300	—	360	30
Total	300	2	360	35

○Fiscal 2021
Non-auditing services rendered to the Company included tax-related services.

○Fiscal 2022
Non-auditing services rendered to the Company included tax-related services.
Non-auditing service rendered to the consolidated subsidiaries was performance of due diligence on investment deals.

c. Details of fees based on other important audit certification work

Not applicable to the fiscal 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-b and e 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 other such policies which have been established with the resolution of the Board of Directors, have a framework for creating and establishing effective Group-wide internal auditing. The 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 Dept., 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 Dept. and others, 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.

(As of July 4, 2023)

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, Senior Managing Executive Officer, Representative Executive Officer
Group Sustainability 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
April 2023 Director, Senior Managing Executive Officer, Representative Executive Officer, Group Sustainability Officer

Director, Senior Managing Executive Officer, Representative Executive Officer

Takeshi Eimori (Born May 26, 1964)

April 1987 Joined Sumitomo Life
April 2016 Executive Officer (internal regulations)
April 2017 Senior Executive Officer (internal regulations)
July 2017 Managing Executive Officer
April 2022 Senior Managing Executive Officer
April 2023 Senior Managing Executive Officer, Representative Executive Officer
July 2023 Director, Senior Managing Executive Officer, Representative Executive Officer

Director

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
April 2023 Senior Managing Executive Officer
July 2023 Director

Chairman of the Board of Directors	:	Masahiro Hashimoto (Chairman of the Board)
Nominating Committee	:	Kenzo Yamamoto (Chairman), Touko Shirakawa, Mitsuyoshi Kobayashi, Masahiro Hashimoto and Yukinori Takada
Audit Committee	:	Kimitaka Mori (Chairman), Toshiko Katayama, Shigeru Ishii, and Tatsuya Yuri
Compensation Committee	:	Kenzo Yamamoto (Chairman), Touko Shirakawa, Mitsuyoshi Kobayashi, Masahiro Hashimoto and Yukinori Takada

(As of July 4, 2023)

Directors

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

Outside Director

Shigeru Ishii (Born July 31, 1954)

April	1978	Joined Yamaichi Securities Co., Ltd.
June	1998	Joined Sony Corporation (present Sony Group Corporation)
April	2001	President and CEO, Representative Director, Sony Bank Incorporated
April	2004	Director, Sony Financial Holdings Inc. (present Sony Financial Group Inc.)
June	2015	Vice President & Representative Director, Sony Financial Holdings Inc. (present Sony Financial Group Inc.)
June	2015	Director, Sony Life Insurance Co., Ltd.
June	2015	Director, Sony Assurance Inc.
June	2015	Director, Sony Bank Incorporated
June	2016	President & Representative Director, Sony Financial Holdings Inc. (present Sony Financial Group Inc.)
June	2018	Executive Vice President, Sony Corporation (present Sony Group Corporation)
July	2018	President, Representative Director, Sony Financial Ventures Inc.
June	2020	Executive Alumus, Sony Corporation (present Sony Group Corporation)
July	2023	Outside Director, Sumitomo Life

Outside Director

Mitsuyoshi Kobayashi (Born November 3, 1957)

April	1982	Joined Nippon Telegraph and Telephone Public Corporation
June	2010	Member of the Board, Nippon Telegraph and Telephone West Corporation
June	2012	Member of the Board, Nippon Telegraph and Telephone Corporation
June	2014	Executive Vice President, Member of the Board, Nippon Telegraph and Telephone Corporation
June	2018	Representative Member of the Board and President, Nippon Telegraph and Telephone West Corporation
June	2021	Representative Member of the Board, President and CEO, Nippon Telegraph and Telephone West Corporation
June	2022	Counselor, Nippon Telegraph and Telephone West Corporation
July	2023	Outside Director, Sumitomo Life

Reasons for Appointment as 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 the Chairman 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 a 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
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.

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
Shigeru Ishii

Reasons for appointment
The Company appoints Mr. Shigeru Ishii as an Outside Director because the Company expects that his abundant knowledge, experience and insight as a former President & Representative Director of Sony Financial Holdings Inc. (currently Sony Financial Group Inc.), a financial group focusing on life insurance, non-life insurance and banking, 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 a member of the Audit Committee. He has served as outside directors 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
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 the Chairman of the Nominating Committee and the Compensation Committee. He has served as outside directors 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
Mitsuyoshi Kobayashi

Reasons for appointment
The Company appoints Mr. Mitsuyoshi Kobayashi as an Outside Director because the Company expects that his abundant knowledge, experience and insight as a former Representative Member of the Board and President of Nippon Telegraph and Telephone West Corporation, a telecommunications carrier, 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 a member of the Nominating Committee and the Compensation Committee. He has served as outside directors 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.

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 the president & CEO 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, health and longevity, through fair and quality business activities trusted by the customers and society.

The basic policy of our business plan is to increase productivity by enhancing "human value," digitize insurance administration procedures, create and supply content that maximizes the value of data, and more to enhance our provision of services that "fuse human and digital." The Group's vision for 2030 is to become an "indispensable insurance group" that contributes to well-being. 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.

Skills Matrix Listing the Knowledge, Experience, and Abilities of the Directors

(As of July 4, 2023)

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 (67)	Chairman of the Board, Representative Executive Officer	Member of Nominating Committee and Compensation Committee	●			●				●	●
Yukinori Takada (58)	Director, President & Chief Executive Officer (Representative Executive Officer)	Member of Nominating Committee and Compensation Committee	●				●	●	●		●
Hideyuki Sumi (60)	Director, Senior Managing Executive Officer (Representative Executive Officer), Group Sustainability Officer	Brand Communication Dept., Corporate Planning Dept., Actuarial & Budgeting Dept., and Accounting Dept.	●	●							●
Takeshi Eimori (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.	●		●			●		●	●
Tatsuya Yuri (59)	Director	Full-time member of Audit Committee	●				●	●	●		●
Kimitaka Mori (66)	Outside Director	Chairman of Audit Committee		●						●	
Toshiko Katayama (70)	Outside Director	Member of Audit Committee			●		●	●			
Kenzo Yamamoto (69)	Outside Director	Chairman of Nominating Committee and Compensation Committee	●			●				●	
Touko Shirakawa (62)	Outside Director	Member of Nominating Committee and Compensation Committee					●	●		●	
Shigeru Ishii (68)	Outside Director	Member of Audit Committee	●	●		●			●	●	
Mitsuyoshi Kobayashi (65)	Outside Director	Member of Nominating Committee and Compensation Committee	●				●		●		

(As of July 4, 2023)

Executive Officers, as defined in the Companies Act

Senior 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
April 2023 Senior 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

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

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

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

Nobuji Takao (Born July 11, 1966)

April 1989 Joined Sumitomo Life
April 2020 Executive Officer (internal regulations)
April 2022 Senior Executive Officer (internal regulations) and Group Sustainability Officer
April 2023 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

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

Number of Directors and Executive Officers: Male 17, Female 2; The percentage of female Directors and Executive Officers, as defined in the Companies Act: 10.5%

(As of July 4, 2023)

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, Sales Personnel Dept.
March 2016 Executive Officer (internal regulations) and General Manager, Central-Tokyo-Area Operations Bureau
March 2017 Executive Officer (internal regulations) and Senior General Manager, Metropolitan-Area Operations Bureau
April 2017 Senior Executive Officer (internal regulations) and Senior General Manager, Metropolitan-Area Operations Bureau
March 2018 Senior Executive Officer (internal regulation)
April 2018 Managing Executive Officer (internal regulations)
June 2021 Managing Executive Officer (internal regulations) and General Manager, Corporate Relations Dept.-II
October 2021 Managing Executive Officer (internal regulations)

Managing Executive Officer

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, Marketing Promotion Dept.
April 2021 Senior Executive Officer (internal regulations) and General Manager, Marketing Promotion Dept.
April 2023 Managing Executive Officer (internal regulations)

Senior Executive Officer

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.
April 2023 Senior Executive Officer (internal regulations)

Managing Executive Officer, and 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, 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 SUMISEI-Support & Consulting Co., Ltd.
April 2021 Managing Executive Officer (internal regulations) and Senior General Manager, Kyushu-Area Operations Bureau

Managing 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.
April 2023 Managing Executive Officer (internal regulations) and General Manager, Internal Audit 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, Next Business Planning Dept.
April 2021 Senior Executive Officer (internal regulations) and General Manager, Next Business Planning Dept.

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 of Chubu-Area Operations Bureau
April 2022 Managing Executive Officer (internal regulations) and Senior General Manager, Chubu-Area Operations Bureau

Managing 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.
April 2023 Managing Executive Officer (internal regulations) and General Manager, International Business Dept.

Senior Executive Officer

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
April 2023 Senior Executive Officer (internal regulations)

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

Yoshiro Kazama (Born December 29, 1966)

April 1989 Joined Sumitomo Life
April 2023 Executive Officer (internal regulations) and General Manager, Financial Institutions Relations Dept.
July 2023 Managing Executive Officer (internal regulations)

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

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, 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.

Managing 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.
April 2023 Managing Executive Officer (internal regulations) and General Manager, Central-Tokyo-Area Marketing Promotion Dept.

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, 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
April 2023 Senior Executive Officer (internal regulations) and General Manager, Yokohama Branch Office

Senior 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.
April 2023 Senior Executive Officer (internal regulations), in Charge of Izumi Life Designers Co., Ltd.

Senior Executive Officer

Toshio Fujimura (Born December 23, 1967)

April 1990 Joined Sumitomo Life
April 2022 Executive Officer (internal regulations) and General Manager, Investment Planning Dept.
April 2023 Senior Executive Officer (internal regulations)

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

Yukiko Chiba (Born November 8, 1962)

July 1992 Joined Sumitomo Life
April 2022 Executive Officer (internal regulations) and General Manager, 100-year Lifespan Support Council

Senior Executive Officer

Takumi Ishihara (Born April 27, 1966)

April 1990 Joined Sumitomo Life
April 2021 Executive Officer (internal regulations)
April 2023 Senior Executive Officer (internal regulations)

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 General Manager, Operations Planning Dept.

Koichi Takenaka (Born December 18, 1967)

April 1990 Joined Sumitomo Life
April 2023 Executive Officer (internal regulations) and General Manager, Operations Planning Dept.

Senior 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
April 2023 Senior Executive Officer (internal regulations) and General Manager, Kyoto Branch Office

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 Sapporo Branch Office, and General Manager in Charge of Marketing Promotion Dept.

Yoshiharu Nagasawa (Born August 6, 1966)

April 1991 Joined Sumitomo Life
April 2023 Executive Officer (internal regulations), General Manager of Sapporo Branch Office, and General Manager in Charge of Marketing Promotion Dept.

Senior Executive Officer and Deputy Chief of Human Capital Development Headquarter

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) and Deputy Chief of Human Capital Development Headquarter
April 2023 Senior Executive Officer (internal regulations) and Deputy Chief of Human Capital Development Headquarter

Executive Officer, and General Manager, 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.
April 2023 Executive Officer (internal regulations) and General Manager, Marketing Promotion Dept.

Executive Officer and General Manager, Corporate Planning Dept.

Tatsuo Hori (Born April 20, 1969)

April 1992 Joined Sumitomo Life
April 2023 Executive Officer (internal regulations) and General Manager, Corporate Planning Dept.

Executive Officer, in Charge of Medicare Life Insurance Co., Ltd.

Yoichi Nomura (Born April 26, 1969)

April 1992 Joined Sumitomo Life
April 2023 Executive Officer (internal regulations), in Charge of Medicare Life Insurance Co., Ltd.

(As of July 4, 2023)

Executive Fellows

Executive Fellow and Human Resources Officer

Tetsuyuki Yamada (Born July 9, 1964)

April 1988 Joined Sumitomo Life
April 2023 Executive Fellow and Human Resources Officer

Executive Fellow and Digital Co-Creation Officer

Kazuyoshi Kishi (Born August 20, 1967)

April 1990 Joined Sumitomo Life
April 2023 Executive Fellow and Digital Co-Creation Officer

Purpose of Introducing the Executive Fellow System

The social environment is changing at an accelerating pace, and businesses are becoming highly specialized. In order to further enhance Sumitomo Life's presence in such environment, there is an increasing need for human capital with specialized knowledge to execute business operations from a company-wide perspective. For this reason, the Company has introduced the Executive Fellow System that appoints highly specialized human capital both inside and outside the Company, and grants them the same authority as Executive Officers, from April 1, 2023.

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 & CEO. 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 Dept. has been established to oversee compliance for the entire Company. The Compliance Control Dept. 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 addition, to strengthen the compliance function in the sales division, an "Institutional Management Support Team" has been established this year in the Marketing Promotion Dept., an organization that oversees sales promotion operations at branch offices, to provide management support for branch offices and district offices. 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.

Measures Against Money Laundering and Terrorist Financing

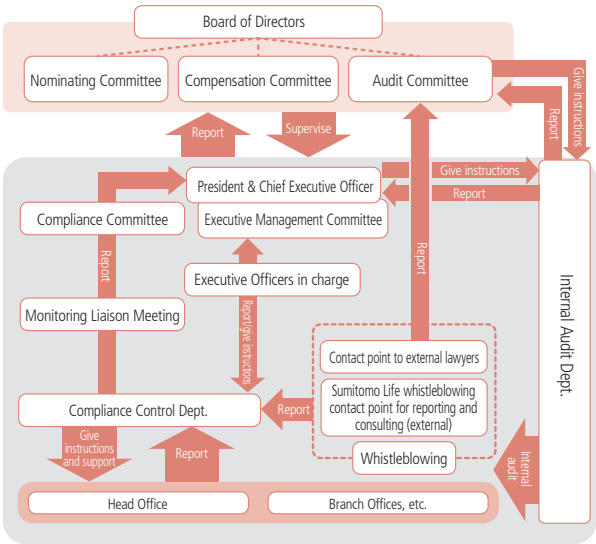
In order to do our part in maintaining the soundness of the financial system, we are implementing risk-based measures against money laundering and terrorist financing in consideration of laws and regulations as well as the external environment under the compliance promotion system described below.

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 that accepts reports from officers and employees, including retired employees. 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.

<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.

Compliance Promotion System

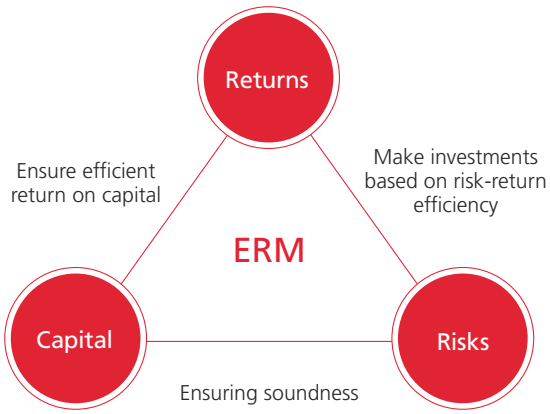


Promotion of ERM

ERM concept

In the "Sumitomo Life Medium-Term Business Plan 2025," "Promoting ERM*" is positioned as one of the initiatives for "management structure that supports sustainability," which is one of the Key Items of Sustainability (materialities) of Sumitomo Life.
* "ERM" stands for Enterprise Risk Management

Specifically, we will work to promote 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 (2023–2025)

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 2025" 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

- 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

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 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.

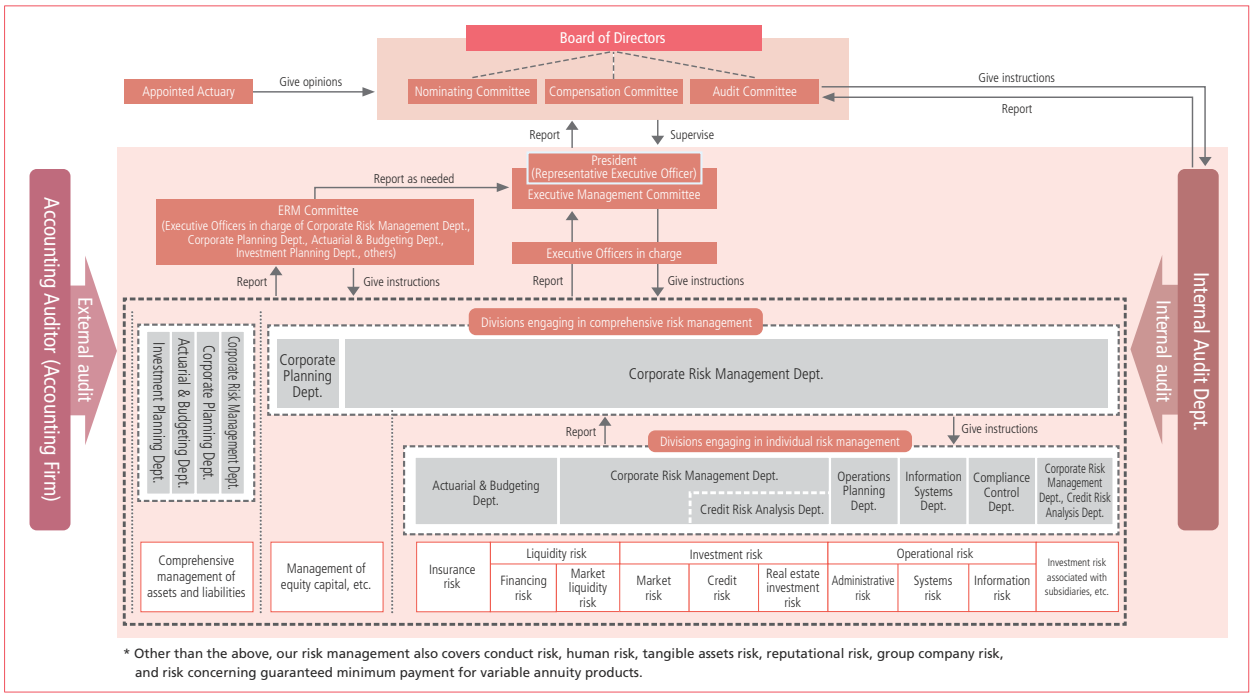
The Corporate Risk Management Department and the divisions engaging in the management of individual risks work together appropriately, in line with the Risk Management Policy and other guidelines, to manage the risks concerning the head office, branch offices, subsidiaries and outsourcing partners.

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



* 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.

Comprehensive Risk Management

We practice comprehensive risk management and operations to control risks in our whole business by assessing different risks of the whole Group 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.

* 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

- 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
- Insufficient response to environmental changes (from fiscal 2023)

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 variation in the value of assets and liabilities held (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 2023 Sumitomo Life Insurance Company [Integrated Report] FY2023 Disclosure Booklet (Japanese)	Includes financial statements, business overview, activity reports, and other information for fiscal year 2022 pursuant to the provisions of Article 111 of the Insurance Business Act.
REPORT SUMISEI 2023 Sumitomo Life Insurance Company [Integrated Report] FY2023 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.
Financial Statements (English)	Contains English financial statements and English audit reports.
Annual Report (English)	Integrated Report translated into English 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.

REPORT SUMISEI 2023 Sumitomo Life Insurance Company [Integrated Report] FY2023 Disclosure Booklet (Main Part)

REPORT SUMISEI 2023 Sumitomo Life Insurance Company [Integrated Report] FY2023 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 information on our products and services, guide to procedures, financial results and other financial data, our corporate philosophy, brand vision, and our initiatives towards achieving SDGs. 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).

営承 B124

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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Sumitomo Life's English (consolidated) financial statements are audited by KPMG AZSA LLC.
The English financial statements in this report are extracts from the audited financial statements, presented in a partially modified format.
Please refer to the "Financial Statements" for the full text of the audit report and English financial statements.
https://www.sumitomolife.co.jp/english/annual/

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 group" that contributes to well-being, through ongoing efforts to fulfil the social responsibility to contribute to the realization of a "society of affluence, vitality, health and longevity" through the life insurance business.

Foundation of Hinode Life Insurance Co., Ltd. (1907)

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.

Head office building of Hinode Life Insurance Co., Ltd. (Kyobashi-ku, Tokyo-shi, completed in December, 1913)

Start of Sumitomo Life Insurance Co., Ltd. (1926)

Renamed to Sumitomo Life Insurance Co., Ltd., and started the life insurance business of Sumitomo for social and public interests.

Sumitomo Building (Kitahama, Higashi-ku, Osaka-shi)

Establishment of Kokumin Life Insurance Co. (1947)

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."

Head office of Kokumin Life Insurance Co. (Azuchimachi, Higashi-ku, Osaka-shi)

Return to "Sumitomo" brand (1952)

Rebranded as Sumitomo Life Insurance Company and set the current Management Policy.

President Taizo Ashida announces the company name change on the radio.

Establishment of PICC Life Insurance Co., Ltd. (2005)

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.

PICC 中国人民人寿保险股份有限公司

Establishment of Medicare Life Insurance Co., Ltd. (2010)

Established the company to flexibly provide insurance products, adequately coping with various customers' needs.

メディケア生命 住友生命グループ

Mascot characters *Medi-kun's Family*

1907	May.	**Established Hinode Life Insurance Co., Ltd.** (Foundation of Sumitomo Life)
1926	May.	**Name changed to Sumitomo Life Insurance Co., Ltd.**
1947	Aug.	**Established Kokumin Life Insurance Co.**
1952	Jun.	**Name changed to Sumitomo Life Insurance Company.**
1960	Oct.	Established Sumitomo Life Social Welfare Services Foundation (currently, Sumitomo Life Welfare and Culture Foundation).
1977	Dec.	Started "Sumisei children's drawing contests."
1985	Jun.	Established Sumitomo Life Health Foundation.
1986	Feb.	Started to distribute "*Sumisei Anshin Dayori*" (newsletters for customers).
	Apr.	Started to host annual "Charity Concerts throughout Japan."
1990	Apr.	Opened "Izumi Hall" (currently, Sumitomolife Izumi Hall).
		Started to run "*Sosaku Yojijukugo* campaign to create four-character new idioms in kanji."
	Oct.	
2001	Apr.	Launched an insurance product "LIVE ONE".
	Jul.	Completed the head office building.
	Oct.	Eight life insurance companies established a corporate pension service agency, Japan Pension Service Co., Ltd.
2002	Oct.	Started to sell annuity products at bank counters.
	Dec.	Sumitomo Mitsui Asset Management Co., Ltd. (currently, Sumitomo Mitsui DS Asset Management Co., Ltd.) started operations.
2003	Sep.	Launched an insurance product "Q Pack."
2004	Oct.	Formed a business alliance with ALICO Japan (currently, MetLife, Inc.).
2005	Apr.	Launched an insurance product "Sumisei Senkyakubanrai".
	Nov.	**Jointly established PICC Life Insurance Co., Ltd. with The People's Insurance Co. (Group) of China Ltd.**
2006	Apr.	Launched the "designated proxy claim rider."
	Jul.	Established the "Council for Insurance Payment" consisting of external experts.
	Sep.	Started the Sumisei Direct Service.
2007	Jan.	Opened a "consultation window" and "a free consultation system by external lawyers" for the payments of insurance claims, etc.
	May.	100th anniversary of foundation.
		Started the "Child Rearing for a Bright Future Project" (currently, the "Child Raising Project to Empower the Future").
	Nov.	Launched the "long-term cancer support rider."
2008	Mar.	Established the "Customer Satisfaction Enhancement Advisors Meeting" consisting of experts outside the company.
2009	Jan.	Launched the "hospitalization coverage enhancement rider."
	Oct.	Started the full-scale sale of non-life insurance products of Mitsui Sumitomo Insurance Company for individual and corporate customers.
		Consolidated subsidiaries involved in insurance agency business and renamed to Izumi Life Designers Co., Ltd.
2010	Apr.	**Medicare Life Insurance Co., Ltd. started operations as a life insurance subsidiary.**
	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.
2023	Feb. Mar.	**Tokyo Head Office relocated to Tokyo Midtown Yaesu.** **Formulated "Sumitomo Life Group Vision 2030."** Sumitomo Life Group set GHG emissions reduction targets.

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
住友生命

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.

BAOVIET
TẬP ĐOÀN BẢO VIỆT

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.

BNI Life

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.

SYMETRA
RETIREMENT | BENEFITS | LIFE

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."

住友生命
Vitality

Investment in Singapore Life Pte. Ltd. (Singlife) (2019)

Invested in Singlife, aiming for capturing the cutting-edge digital technologies and business models.

Singlife

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.

Tokyo Head Office relocated to Tokyo Midtown Yaesu (2023)

Introduced an advanced office style based on the concept of "Connect, Expand, Move On." Through the realization of new ways of working, we will provide our customers and society with value unique to Sumitomo Life.

Formulation of "Sumitomo Life Group Vision 2030" (2023)

"Sumitomo Life Group Vision 2030" was formulated to realize the Sustainability Management Policy. The Group's vision for 2030 is to become "indispensable insurance group" that contributes to well-being, and to provide the value of well-being to as many stakeholders as possible.

◆ Main Business Areas and Organizational Structure

Main business areas of the Company, its subsidiaries, and affiliated companies and the organizational structure are as follows.

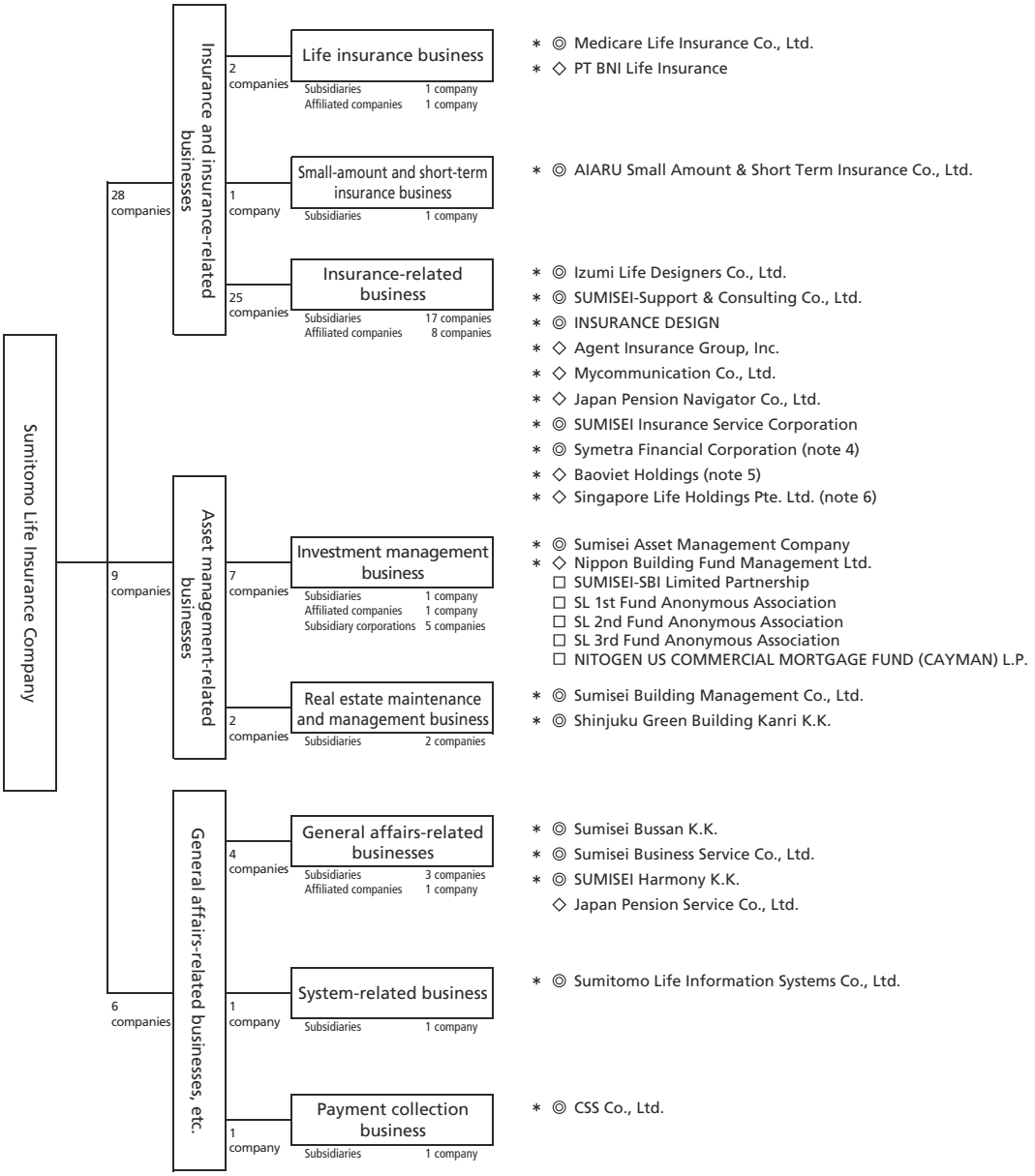
1. Main business areas

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
Sumisei Asset Management Company and six 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 three other 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, 2023.
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, 2023.
4. Twelve 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, 2023

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	80,000	Life insurance business	Oct. 1, 2009	100.00	—
AIARU Small Amount & Short Term Insurance Co., Ltd.*	15-18, Nihonbashi Kodenma-cho, 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 & Consult-ing 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	336	Insurance solicitation business	Jun. 1, 2001	37.94	—
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 Minani, Nishi-ku, Osaka-shi, Osaka	15	Life insurance confirmation business	May 1, 1978	80.00	20.00
Sumisei Asset Management Company*	6-14-1,Nishi Shinnjuku, Shinjuku-ku, Tokyo	100	Investment management business	Apr. 1, 2022	100.00	—
Nippon Building Fund Management Ltd.*	2-3-1, Nihonbashi Muromachi, Chuo-ku, Tokyo	495	Investment trust business and invest-ment corporation asset management business	Sep. 19, 2000	35.00	—
Sumisei Building Manage-ment Co., Ltd.*	14-1, Nihonbashi Koamicho, Chuo-ku, Tokyo	100	Real estate mainte-nance and manage-ment business	Jun. 1, 1967	100.00	—
Shinjuku Green Building Kanri K.K.*	6-14-1, Nishi Shinjuku, Shinjuku-ku, Tokyo	20	Real estate mainte-nance and manage-ment business	Oct. 30, 1985	3.52	61.17
Sumisei Bussan K.K.*	1-2-20, Kujo Minani, 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, Yodoga-wa-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, 2023.
2. SUMISEI-SBI Limited Partnership and three other companies in the investment management business are also our subsidiary corporations.

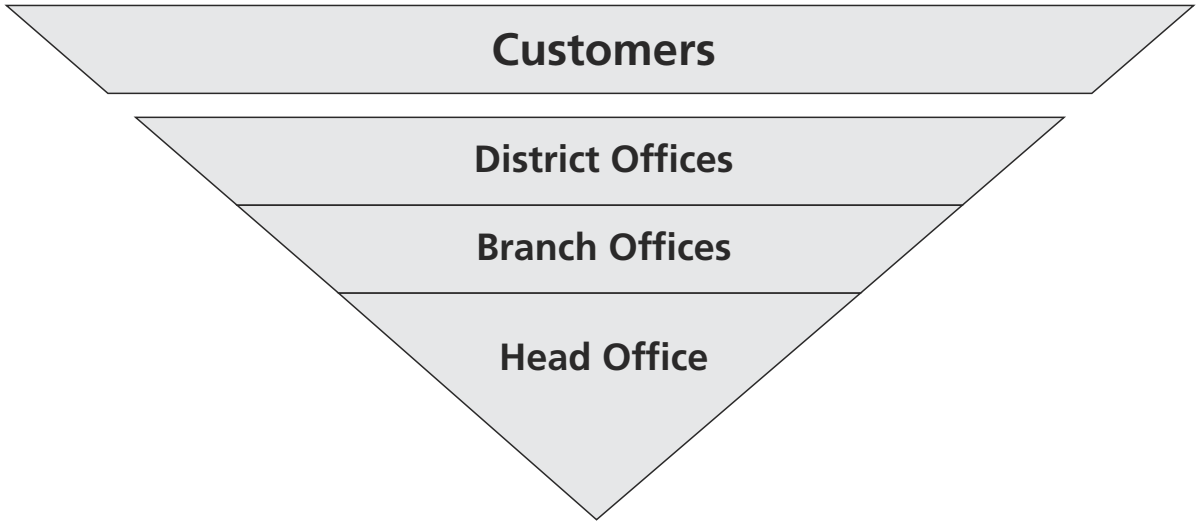
Overseas

As of March 31, 2023

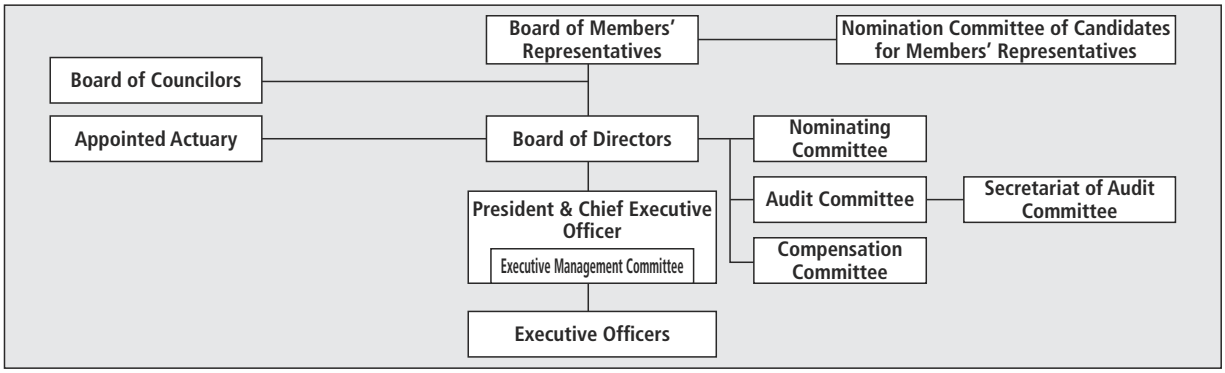
Name	Main business site	Issued capital	Main business	Establishment	Proportion of voting rights held by Sumitomo Life among voting rights held by all shareholders, members, or investors (%)	Proportion of voting rights held by subsidiaries and affiliated companies of Sumitomo Life (%)
PT BNI Life Insurance*	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*	No. 8, Le Thai To Street, Hang Trong Ward, Hoan Kiem District, Hanoi	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	SGD2,078 million	Bank holding company	Jul. 17, 2020	23.22	—

Notes:1. Companies marked by " * " are consolidated subsidiaries and affiliated companies accounted for by the equity method as of March 31, 2023.
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.
4. Two subsidiaries of Singapore Life Holdings Pte. Ltd. including Singapore Life Ltd. are included in our affiliated companies.

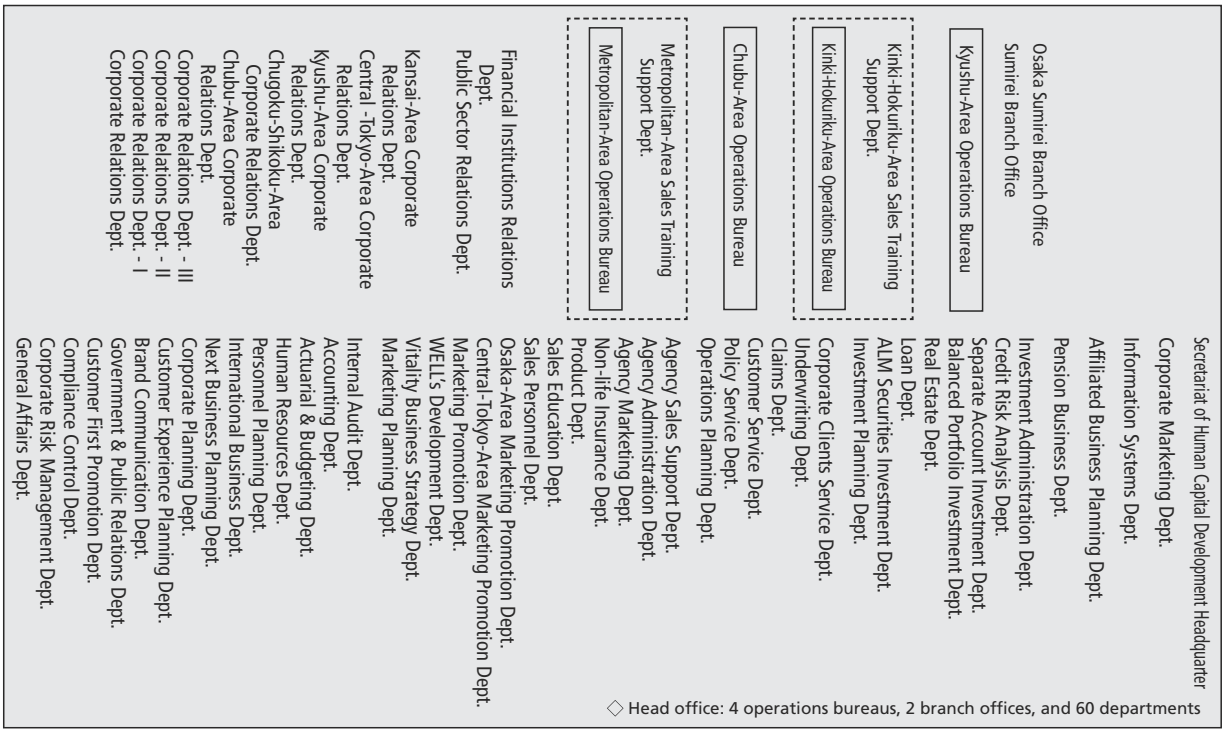
◆ Organizational Chart (as of April 1, 2023)



● 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	As of March 31, 2022*1	As of March 31, 2023*2
Branch Offices	90	90
Sumirei Branch Offices	2	2
District Offices	1,497	1,528
Representative Offices	3	3
Total	1,592	1,623

Enrollments and New Recruits of Employees

Classification	Enrollments as of March 31, 2022	Enrollments as of March 31, 2023	New recruits in fiscal 2021	New recruits in fiscal 2022	As of March 31, 2023	
					Average age	Average years of service
Administrative Staff	10,672	10,511	328	345	46 years and 11 months	16 years and 9 months
Male	4,205	4,120	96	66	47 years and 3 months	21 years and 7 month
Female	6,467	6,391	232	279	46 years and 9 months	13 years and 7 month
Managerial track*1	3,986	3,968	89	55	45 years and 3 months	21 years and 8 months
General business track*2	4,325	4,299	133	115	44 years and 10 month	14 years and 4 months
Sales representatives	34,664	33,538	6,118	5,410	46 years and 7 months	12 years and 7 months
Male	386	367	28	29	49 years and 5 months	16 years and 11 months
Female	34,278	33,171	6,090	5,381	46 years and 6 months	12 years and 7 months
District managers in fixed locations, general sales representatives, and sales management staff	2,975	3,081	381	269	38 years and 3 months	12 years and 0 months
Other sales representatives	31,689	30,457	5,737	5,141	47 years and 5 months	12 years and 8 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 2022	March 2023
Administrative Staff	353	356

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 2021	Fiscal 2022
Sales representatives	260	259

Note: The average monthly salaries are regular salaries for each year including taxes and excluding bonuses.

Wage Differences between Men and Women

Classification	Wage differences between men and women (ratio of women's wages to men's wages)
All workers	40.3%
Full-time workers	39.5%
Managerial track	74.3%
General business track	123.1%
District managers in fixed locations, sales management staff, general sales representatives	80.0%
Other sales representatives	93.4%
Part-time and fixed-term workers	62.7%

Note: Target period: FY2022 (April 1, 2022 to March 31, 2023)
Wages: Total of base salary, non-standard salary (overtime pay, etc.), bonuses, commuting expenses, etc. However, this excludes retirement pay, relocation allowances, and self-rented housing subsidies.
Full-time workers: This does not include loaned employees, either seconded from outside the Company to the Company or vice versa.
Part-time and fixed-term workers: This includes office partners, experts, consulting staff, etc., but excludes temporary staff.
For part-time workers, their average annual wage is calculated based on the number of headcounts converted based on full-time workers' scheduled working hours (8 hours per day).
Supplementary explanation:
· There are no differences between men and women in employment regulations or other company rules, and differences in wages between men and women are mainly due to differences in the gender composition in different job categories.
· We have formulated an action plan to promote the active involvement of women and are implementing measures that contribute to higher wages for women, such as targeting a 50% ratio of female managers by the end of FY2025.

◆ 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; an 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	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	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: (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 2018	Fiscal 2019	Fiscal 2020	Fiscal 2021	Fiscal 2022
Ordinary income	3,639,446	3,485,973	3,517,715	3,599,428	4,225,499
Ordinary profit	150,840	37,591	118,223	128,811	59,153
Net surplus attributable to the parent company	48,266	5,207	26,965	45,605	139,787
Comprehensive income (loss)	92,825	24,620	585,076	(424,405)	(806,741)

(Millions of yen)

Items	March 31, 2019	March 31, 2020	March 31, 2021	March 31, 2022	March 31, 2023
Total assets	37,811,470	38,642,050	41,094,086	42,994,287	42,662,408
Solvency margin ratio	915.6%	870.0%	862.5%	794.6%	679.0%

1 Consolidated Balance Sheets

Millions of Yen

	As of March 31, 2022	As of March 31, 2023
ASSETS:		
Cash and deposits	1,107,622	1,565,736
Call loans	260,597	847,388
Monetary claims bought	310,140	407,646
Money held in trust	4,914	14,990
Securities	35,833,252	33,598,005
Loans	3,023,520	3,175,130
Tangible fixed assets	567,165	598,313
Land	357,045	385,089
Buildings	178,632	198,570
Lease assets	3,782	2,128
Construction in progress	22,201	5,169
Other tangible fixed assets	5,503	7,355
Intangible fixed assets	201,871	234,084
Software	37,497	38,591
Goodwill	41,220	40,085
Other intangible fixed assets	123,153	155,407
Due from agents	239	151
Reinsurance receivables	1,728	12,480
Other assets	1,375,566	1,588,901
Net defined benefit assets	21,677	35,837
Deferred tax assets	290,037	588,114
Allowance for possible loan losses	(4,047)	(4,373)
Total assets	42,994,287	42,662,408
LIABILITIES:		
Policy reserves and other reserves	33,714,825	35,233,129
Reserve for outstanding claims	156,079	169,352
Policy reserves	33,342,519	34,848,109
Policyholders' dividend reserves	216,226	215,667
Reinsurance payables	20,523	12,643
Corporate bonds	508,257	428,417
Other liabilities	6,124,590	5,361,612
Payables under repurchase agreements	3,513,925	3,110,297
Payables under securities borrowing transactions	355,998	67,438
Other	2,254,666	2,183,877
Net defined benefit liabilities	2,884	4,133
Reserve for price fluctuation	972,169	849,771
Deferred tax liabilities	13,172	5
Deferred tax liabilities for land revaluation	12,583	12,466
Total liabilities	41,369,007	41,902,180
NET ASSETS:		
Reserve for redemption of foundation funds	639,000	639,000
Reserve for revaluation	2	2
Surplus	73,458	155,000
Total funds, reserve and surplus	712,461	794,002
Net unrealized gains (losses) on available-for-sale securities	1,015,426	5,564
Deferred gains (losses) on derivatives under hedge accounting	(3,001)	(13,063)
Land revaluation differences	(59,581)	(59,645)
Foreign currency translation adjustments	(39,098)	28,216
Remeasurements of defined benefit plans	(1,067)	5,005
Total accumulated other comprehensive income	912,676	(33,921)
Non-controlling interests	141	147
Total net assets	1,625,279	760,227
Total liabilities and net assets	42,994,287	42,662,408

2 Consolidated Statements of Income and Consolidated Statements of Comprehensive Income

[Consolidated Statements of Income]

Millions of Yen

	Years ended March 31, 2022	Years ended March 31, 2023
Ordinary income	3,599,428	4,225,499
Insurance premiums and other	2,411,977	2,583,077
Investment income	1,084,989	1,542,012
Interest, dividends and other income	827,483	964,997
Gains on money held in trust	379	287
Gains on trading securities	5,797	—
Gains on sales of securities	75,831	361,890
Gains on redemption of securities	2,665	2,076
Gains on derivative financial instruments	37,153	—
Foreign exchange gains	98,556	77,386
Reversal of allowance for possible loan losses	220	—
Other investment income	10,471	135,375
Investment gains on separate accounts	26,429	—
Other ordinary income	102,461	100,409
Ordinary expenses	3,470,616	4,166,346
Benefits and other payments	1,898,437	2,161,551
Claims paid	566,570	597,894
Annuity payments	428,801	424,618
Benefits payments	392,436	519,679
Surrender benefits	448,685	553,709
Other refunds	61,944	65,648
Provision for policy reserves and other reserves	827,824	546,040
Provision for reserves for outstanding claims	13,558	5,945
Provision for policy reserves	814,237	540,067
Provision for interest on policyholders' dividend reserves	29	26
Investment expenses	134,380	816,509
Interest expenses	14,279	32,319
Losses on trading securities	—	68,513
Losses on sales of securities	71,520	377,965
Losses on valuation of securities	11,735	8,618
Losses on redemption of securities	2,694	1,221
Losses on derivative financial instruments	—	235,685
Provision for allowance for possible loan losses	—	84
Depreciation of real estate for investments	8,446	8,954
Other investment expenses	25,704	76,842
Investment losses on separate accounts	—	6,304
Operating expenses	454,743	478,930
Other ordinary expenses	155,229	163,315
Ordinary profit	128,811	59,153
Extraordinary gains	2,344	124,317
Gains on disposals of fixed assets	2,344	1,920
Reversal of reserve for price fluctuation	—	122,397
Extraordinary losses	92,541	3,946
Losses on disposals of fixed assets	3,043	775
Impairment losses	480	2,471
Provision for reserve for price fluctuation	88,334	—
Payments to social responsibility reserve	683	699
Surplus (loss) before income taxes	38,614	179,524
Income taxes		
Current	41,314	8,404
Deferred	(48,314)	31,326
Total income taxes	(7,000)	39,730
Net surplus	45,614	139,793
Net surplus attributable to non-controlling interests	9	6
Net surplus attributable to the Parent Company	45,605	139,787

[Consolidated Statements of Comprehensive Income]

Millions of Yen

	Years ended March 31, 2022	Years ended March 31, 2023
Net surplus	45,614	139,793
Other comprehensive income (loss)	(470,020)	(946,534)
Net unrealized gains (losses) on available-for-sale securities	(511,875)	(1,005,446)
Deferred gains (losses) on derivatives under hedge accounting	(3,106)	(10,061)
Foreign currency translation adjustments	36,294	57,026
Remeasurements of defined benefit plans	(1,252)	6,072
Share of other comprehensive income (loss) of associates under the equity method	9,919	5,873
Comprehensive income (loss)	(424,405)	(806,741)
Comprehensive income (loss) attributable to the Parent Company	(424,415)	(806,747)
Comprehensive income (loss) attributable to non-controlling interests	9	6

3 Status of Loans under the Insurance Business Act

Millions of Yen, %

Classification	As of March 31, 2022	As of March 31, 2023
Bankrupt and quasi-bankrupt loans	—	—
Doubtful loans	755	783
Loans in arrears for three months or longer	—	—
Restructured loans	600	—
Subtotal	1,355	783
[Percentage of total]	[0.02]	[0.01]
Normal loans	7,826,592	7,190,810
Total	7,827,947	7,191,593

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, 2022	As of March 31, 2023
Solvency margin gross amount (A)		4,795,724	3,597,472
Foundation funds and others		495,828	548,883
Reserve for price fluctuation		972,169	849,771
Contingency reserve		705,442	756,736
Unusual contingency reserve		—	—
General allowance for possible loan losses		3,604	4,123
(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)		1,248,951	32,194
Net unrealized gains on real estate × 85% (Multiplied by 100% if losses)		118,196	140,574
Total amount of unrecognized actuarial gains (losses) and unrecognized past service costs		(1,482)	6,942
Excess of continued Zillmerized reserve		761,616	779,854
Qualifying subordinated debt		600,510	566,510
Excess of continued Zillmerized reserve and qualifying subordinated debt not included in margin calculation		—	—
Deduction clause		(180,420)	(196,176)
Others		71,306	108,056
Total amount of risk $\sqrt{(\sqrt{R_1^2 + R_5^2} + R_8 + R_9)^2 + (R_2 + R_3 + R_7)^2} + R_4 + R_6$ (B)		1,207,009	1,059,629
Insurance risk	R_1	93,867	99,759
General insurance risk	R_5	—	—
Large disaster risk	R_6	0	0
Third-sector insurance risk	R_8	86,858	95,565
Insurance risk of small-amount, short-term insurer	R_9	9	9
Risk of assumed yield	R_2	175,401	175,797
Minimum guarantee risk	R_7*	6,102	8,134
Investment risk	R_3	984,644	832,861
Operational risk	R_4	26,937	24,242
Solvency margin ratio $\frac{(A)}{(1/2) \times (B)} \times 100$		794.6%	679.0%

* 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, 2022	As of March 31, 2023
Solvency margin gross amount (A)	51,492	56,047
Paid-in capital, etc.	22,338	29,211
Reserve for price fluctuation	222	245
Contingency reserve	3,542	4,236
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)	(356)	(740)
Net unrealized gains on real estate × 85% (Multiplied by 100% if losses)	—	—
Excess of continued Zillmerized reserve	38,542	52,462
Qualifying subordinated debt	—	—
Excess of continued Zillmerized reserve and qualifying subordinated debt not included in margin calculation	(12,796)	(29,368)
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)	6,158	5,393
Insurance risk R_1	442	455
Third-sector insurance risk R_8	2,960	3,107
Risk of assumed yield R_2	23	24
Minimum guarantee risk R_7	—	—
Investment risk R_3	4,810	3,728
Operational risk R_4	247	219
Solvency margin ratio $\frac{(A)}{(1/2) \times (B)} \times 100$	1,672.2%	2,078.2%

(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, 2022 (from April 1, 2021 to March 31, 2022), and the fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023), segment information and its related information are omitted because there is only one business segment in the Company and its subsidiaries.

Embedded Value

The Sumitomo Life Group's embedded value increased ¥722.0 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.

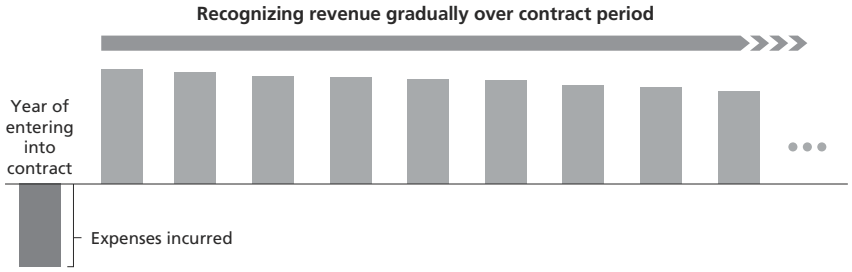
¥4,751.2 billion

(Sumitomo Life's [non-consolidated] embedded value: ¥4,698.2 billion)

What is embedded value?

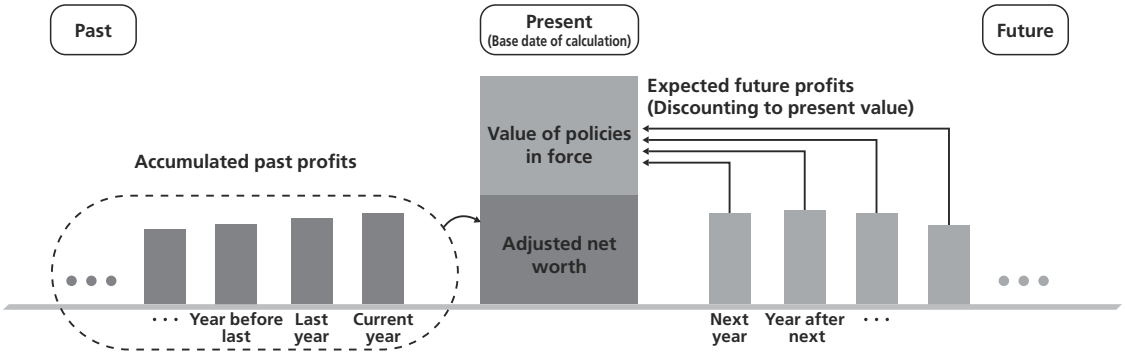
Embedded value is calculated by adding the present value of expected future profits from policies in force (value of policies in force) to the adjusted net worth as of the base date of calculation.
Under current statutory accounting practices, the initial cost is recognized at the time of entering into 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)



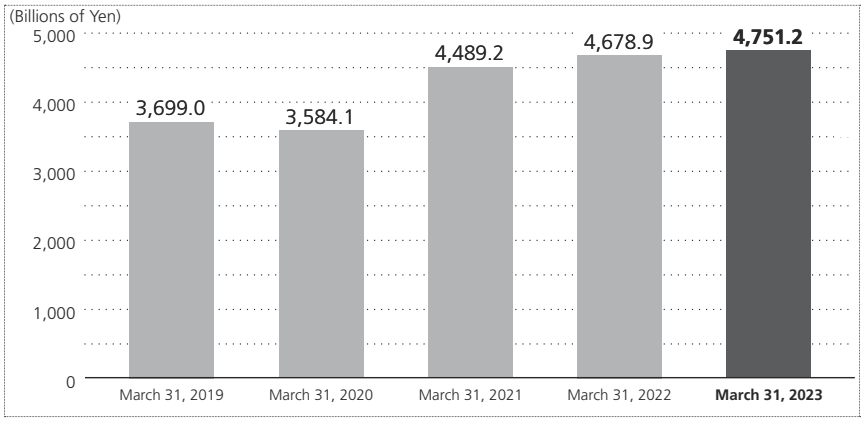
Adjusted Net Worth

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, 2023

(Billions of yen)

	As of March 31, 2023
EEV	4,751.2
Value of policies in force	2,149.5
Adjusted net worth	2,601.6

	Fiscal 2022
Value of new policies	120.8

Value of New Policies

The present value of expected future profits from new business acquired during fiscal 2022.

*1. The EEV of the Sumitomo Life Group is calculated as follows: Sumitomo Life's EEV plus Medicare Life's EEV and Symetra's EEV, less Sumitomo Life's book value 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, 2023" 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 2022	4,751.2	—
Sensitivity 1: 50-bp upward parallel shift in risk-free yield curve	4,893.1	141.9
Sensitivity 2: 50-bp downward parallel shift in risk-free yield curve	4,591.3	(159.8)
Sensitivity 3: 10% decline in equity and real estate values	4,501.9	(249.2)
Sensitivity 4: 10% decline in maintenance expenses	4,872.0	120.8
Sensitivity 5: 10% decline in surrender and lapse rate	4,892.4	141.2
Sensitivity 6: 5% decline in mortality and morbidity rates for life insurance products	5,010.7	259.5
Sensitivity 7: 5% decline in mortality and morbidity rates for annuities	4,745.2	(5.9)
Sensitivity 8: Setting required capital at statutory minimum level	4,837.4	86.2
Sensitivity 9: 25% increase in implied volatilities of equity and real estate values	4,750.9	(0.2)
Sensitivity 10: 25% increase in implied volatilities of swaptions	4,704.0	(47.1)

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, 2023 is ¥2,163.3 billion.

(Billions of yen)

	As of March 31, 2023
EEV	4,751.2
Total net assets on the balance sheet + Retained earnings in liabilities	1,682.9
Value of policies in force + Unrealized gains (losses) on yen-denominated interest-bearing assets and others	2,163.3
Value of policies in force	2,149.5
Unrealized gains (losses) on yen-denominated interest-bearing assets and others	13.8
Unrealized gains (losses) on assets other than yen-denominated interest-bearing assets and others	904.9

◆ Non- Consolidated

◆ Status of Major Operations

Indicators of Major Operations for the Last Five Fiscal Years

(Millions of yen)

Items	Fiscal 2018	Fiscal 2019	Fiscal 2020	Fiscal 2021	Fiscal 2022
Ordinary income	3,285,089	3,085,037	3,108,974	3,094,278	3,495,347
Ordinary profit	200,591	95,138	155,634	145,962	61,852
Core business profit*1	264,530	249,410	266,358	333,397	236,366
Net surplus	60,605	49,337	54,733	58,342	147,204
Total foundation funds*2	639,000	639,000	639,000	639,000	639,000
Total assets	32,730,472	32,951,105	35,400,786	36,443,323	35,298,166
Of which, separate account assets	829,521	726,126	828,123	828,542	790,519
Policy reserves	26,238,890	26,636,065	27,262,040	27,884,255	28,305,473
Loans	2,874,970	2,099,584	1,945,518	2,192,253	2,198,274
Securities	26,764,618	27,423,878	30,463,881	31,362,641	28,829,411
Solvency margin ratio	930.1%	873.6%	840.5%	809.00%	812.8%
Ratio of appropriation of surplus for policyholders' dividend reserves*3	99.7%	100.0%	99.9%	99.9%	38.8%
Number of employees	42,954	43,168	46,084	45,336	44,049
Number of members (policyholders)*4	7,001,352	6,937,383	6,877,969	6,822,043	6,794,814
Policies in force*5	114,291,657	109,620,952	106,059,804	102,157,551	98,931,950
Individual life insurance	66,769,210	62,109,041	58,035,687	54,104,252	51,058,435
Individual annuities	15,306,014	15,065,308	14,928,964	14,753,173	14,504,025
Group insurance	32,216,432	32,446,601	33,095,152	33,300,124	33,369,489
Policies in force for group annuities*6	2,589,611	2,573,891	2,666,577	2,716,382	2,699,982

*1. Core business profit is based on new definitions applied since fiscal 2022, under which hedging costs related to foreign exchange, among others, are included in calculation. Figures for prior years are calculated using the same definitions.
*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, 2022	As of March 31, 2023
ASSETS:		
Cash and deposits	883,913	1,329,461
Cash	12	10
Deposits	883,901	1,329,451
Call loans	260,597	847,388
Monetary claims bought	310,140	407,646
Money held in trust	4,914	14,990
Securities	31,362,641	28,829,411
National government bonds	10,969,097	11,686,665
Local government bonds	197,554	192,009
Corporate bonds	3,600,985	3,309,271
Domestic stocks	2,595,648	2,456,106
Foreign securities	13,470,574	10,831,959
Other securities	528,781	353,398
Loans	2,192,253	2,198,274
Policy loans	244,196	234,873
Industrial and consumer loans	1,948,057	1,963,401
Tangible fixed assets	563,567	594,472
Land	356,840	385,086
Buildings	177,432	197,769
Lease assets	3,061	1,727
Construction in progress	22,200	5,169
Other tangible fixed assets	4,032	4,720
Intangible fixed assets	36,293	37,366
Software	31,845	30,677
Other intangible fixed assets	4,448	6,689
Due from agents	—	0
Reinsurance receivables	135	120
Other assets	519,054	520,127
Accounts receivable	31,617	51,984
Prepaid expenses	5,559	7,368
Accrued income	155,921	144,341
Money on deposit	4,759	4,988
Deposits for futures transactions	47,680	48,331
Derivative financial instruments	152,345	148,928
Cash collateral paid for financial instruments	82,758	91,238
Suspense	8,843	9,037
Other assets	29,568	13,908
Prepaid pension cost	22,150	26,764
Deferred tax assets	288,586	493,008
Allowance for possible loan losses	(925)	(867)
Total assets	36,443,323	35,298,166

	As of March 31, 2022	As of March 31, 2023
LIABILITIES:		
Policy reserves and other reserves	28,218,160	28,641,672
Reserve for outstanding claims	117,678	120,531
Policy reserves	27,884,255	28,305,473
Policyholders' dividend reserves	216,226	215,667
Reinsurance payables	195	120
Corporate bonds	480,510	396,510
Other liabilities	5,060,044	4,209,470
Payables under repurchase agreements	3,513,925	3,110,297
Payables under securities borrowing transactions	355,998	67,438
Loans payable	120,000	170,000
Income taxes payable	10,093	—
Accounts payable	65,056	73,741
Accrued expenses	40,792	43,804
Deferred income	828	845
Deposits received	71,355	71,007
Guarantee deposits received	27,556	29,668
Derivative financial instruments	829,832	590,475
Cash collateral received for financial instruments	9,943	34,091
Lease obligations	3,185	1,808
Asset retirement obligations	1,760	1,769
Suspense receipts	8,199	10,911
Rest of other liabilities	1,517	3,612
Reserve for price fluctuation	971,947	849,526
Deferred tax liabilities for land revaluation	12,583	12,466
Total liabilities	34,743,442	34,109,767
NET ASSETS:		
Reserve for redemption of foundation funds	639,000	639,000
Reserve for revaluation	2	2
Surplus	231,993	320,951
Reserve for future losses	6,204	6,404
Other surplus	225,788	314,546
Fund for price fluctuation allowance	165,000	165,000
Reserve for assisting social responsibility	1,355	1,355
Other reserves	223	223
Unappropriated surplus	59,210	147,967
Total funds, reserve and surplus	870,995	959,953
Net unrealized gains on available-for-sale securities	895,346	300,314
Deferred gains (losses) on derivatives under hedge accounting	(6,879)	(12,224)
Land revaluation differences	(59,581)	(59,645)
Total unrealized gains, revaluation reserve and adjustments	828,885	228,444
Total net assets	1,699,880	1,188,398
Total liabilities and net assets	36,443,323	35,298,166

2 Non-Consolidated Statements of Income

Millions of Yen

	Years ended March 31, 2022	Years ended March 31, 2023
Ordinary income	3,094,278	3,495,347
Insurance premiums and other	2,143,199	2,216,429
Insurance premiums	2,140,392	2,213,957
Reinsurance revenue	411	491
Other income to policy reserves	2,396	1,980
Investment income	867,086	1,203,013
Interest, dividends and other income	667,365	761,129
Interest on deposits	787	9,883
Interest and dividends on securities	593,228	673,754
Interest on loans	24,105	27,127
Rent revenue from real estate	32,111	32,485
Other interest and dividend	17,132	17,878
Gains on money held in trust	379	287
Gains on sales of securities	67,019	358,718
Gains on redemption of securities	1,761	1,120
Gains on derivative financial instruments	2,546	—
Foreign exchange gains	98,853	80,608
Reversal of allowance for possible loan losses	—	48
Other investment income	2,732	1,100
Investment gains on separate accounts	26,429	—
Other ordinary income	83,991	75,904
Annuity supplementary contract premiums	5,239	5,198
Proceeds from deferred insurance	43,053	33,529
Reversal of accrued retirement benefits	6,424	4,614
Other ordinary income	29,274	32,562
Ordinary expenses	2,948,315	3,433,494
Benefits and other payments	1,757,264	1,963,119
Claims paid	521,345	547,393
Annuity payments	428,761	424,557
Benefits payments	308,317	388,804
Surrender benefits	446,828	551,624
Other refunds	50,934	49,718
Reinsurance premiums	1,077	1,021
Provision for policy reserves and other reserves	634,019	424,098
Provision for reserve for outstanding claims	11,775	2,853
Provision for policy reserves	622,214	421,218
Provision for interest on policyholders' dividend reserves	29	26
Investment expenses	112,344	594,954
Interest expenses	10,363	21,778
Losses on sales of securities	68,051	344,998
Losses on valuation of securities	9,633	2,690
Losses on redemption of securities	—	75
Losses on derivative financial instruments	—	161,882
Provision for allowance for possible loan losses	43	—
Depreciation of real estate for investments	8,425	8,950
Other investment expenses	15,827	48,275
Investment losses on separate accounts	—	6,304
Operating expenses	331,030	336,414
Other ordinary expenses	113,655	114,906
Payments of benefits left to accumulate at interest	47,753	45,528
Taxes	27,224	28,253
Depreciation	18,922	18,932
Other ordinary expenses	19,755	22,192
Ordinary profit	145,962	61,852
Extraordinary gains	2,344	123,866
Gains on disposals of fixed assets	2,344	1,445
Reversal of reserve for price fluctuation	—	122,420
Extraordinary losses	92,147	3,723
Losses on disposals of fixed assets	2,731	703
Impairment losses	432	2,320
Provision for reserve for price fluctuation	88,300	—
Payments to social responsibility reserve	683	699
Surplus before income taxes	56,159	181,995
Income taxes		
Current	46,854	6,312
Deferred	(49,036)	28,477
Total income taxes	(2,182)	34,790
Net surplus	58,342	147,204

3 Breakdown of Ordinary Profit (Core Business Profit)

Millions of Yen

Classification	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Core business profit A	333,397	236,366
Capital gains	223,632	543,768
Gains on money held in trust	383	28
Gains on trading securities	—	—
Gains on sales of securities	67,019	358,718
Gains on derivative financial instruments	2,546	—
Foreign exchange gains	98,853	80,608
Other capital gains	54,829	104,412
Capital losses	163,316	607,042
Losses on money held in trust	—	—
Losses on trading securities	—	—
Losses on sales of securities	68,051	344,998
Losses on valuation of securities	9,633	2,690
Losses on derivative financial instruments	—	161,882
Foreign exchange losses	—	—
Other capital losses	85,631	97,472
Net capital gains / losses B	60,315	(63,274)
Core business profit including net capital gains / losses A+B	393,713	173,091
Nonrecurring gains	10	—
Reinsurance revenue	—	—
Reversal of contingency reserves	—	—
Reversal of specific allowance for possible loan losses	10	—
Other nonrecurring gains	—	—
Nonrecurring losses	247,760	111,239
Reinsurance premiums	—	—
Provision for contingency reserve	193,700	50,600
Provision for specific allowance for possible loan losses	—	14
Provision for allowance for specific overseas debt	—	—
Write-off of loans	—	—
Other nonrecurring losses	54,060	60,624
Nonrecurring gains / losses C	(247,750)	(111,239)
Ordinary profit A+B+C	145,962	61,852

Note: Core business profit is based on new definitions applied since fiscal 2022, under which hedging costs related to foreign exchange, among others, are included in calculation. Figures for prior years are calculated using the same definitions.

(Reference) Breakdown of other items

		Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Core business profit	Financial impact of fluctuations in the surrender benefits amount concerning market value adjustment	(27,064)	(5,951)
	Financial impact of market exchange rate fluctuations concerning foreign currency-denominated insurance policies	83,419	71,212
	Financial impact of fluctuations in insurance reserve funds concerning index linking	2,212	(2,480)
	Interest, dividends and other income from gains (losses) on money held in trust	(3)	258
	Amount equivalent to foreign exchange hedging costs	(26,027)	(94,935)
	Amount equivalent to gain or loss on cancellation of mutual funds	—	26,259
	Amount equivalent to the foreign exchange fluctuation portion of gain or loss on redemption of securities	(1,737)	(1,045)
Other capital gains	Financial impact of fluctuations in the surrender benefits amount concerning market value adjustment	27,064	5,951
	Financial impact of fluctuations in the surrender benefits amount concerning market value adjustment	—	—
	Financial impact of fluctuations in insurance reserve funds concerning index linking	—	2,480
	Amount equivalent to foreign exchange hedging costs	26,027	94,935
	Amount equivalent to gain or loss on cancellation of mutual funds	—	—
	Amount equivalent to the foreign exchange fluctuation portion of gain or loss on redemption of securities	1,737	1,045
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	83,419	71,212
	Financial impact of fluctuations in insurance reserve funds concerning index linking	2,212	—
	Amount equivalent to foreign exchange hedging costs	—	—
	Amount equivalent to gain or loss on cancellation of mutual funds	—	26,259
	Amount equivalent to the foreign exchange fluctuation portion of gain or loss on redemption of securities	—	—
Other nonrecurring losses	Additional provisions of insurance reserve funds for part of the individual annuity contracts after the commencement of annuity payments and part of the lump-sum individual annuity contracts	54,060	60,624

◆ 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 2022 financial results.

Individual life insurance, individual annuities: we maintained the same dividend rates.

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 0.00% 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 0.00% 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)

	Fiscal 2021		Fiscal 2022	
	Amount	Year-on-year changes (%)	Amount	Year-on-year changes (%)
Policyholders' dividends paid	56,141	10.5	58,895	4.9

Status of Dividend Payout Ratio

$$\text{Dividend payout ratio} = \frac{\text{Provision for dividend reserves (¥57.0 billion)}}{\text{Provision for dividend reserves + Provision for internal reserves and surplus (¥39.8 billion)*}} = 59\%$$

*Provision for contingency reserves, reserve for price fluctuation, fund for price fluctuation allowance, and reserve for fund redemption of foundation funds (including tax effect amounts). 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, 2022		As of March 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
Trading securities	646,559	(6,819)	619,170	(19,521)

Note: The above table includes money held in trusts for trading.

b. Fair value information of securities (with market prices except for trading securities)

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	—	—	—	—	—

Classification	As of March 31, 2023				
	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)
Policy-reserve-matching bonds	13,192,905	13,610,612	417,707	975,068	(557,360)
Investments in subsidiaries and affiliated companies	53,077	45,626	(7,451)	—	(7,451)
Available-for-sale securities	12,881,722	13,250,150	368,428	1,303,032	(934,604)
Domestic bonds	3,025,881	2,833,870	(192,011)	34,902	(226,913)
Domestic stocks	1,065,125	2,118,405	1,053,280	1,084,853	(31,573)
Foreign securities	7,703,747	7,207,489	(496,257)	160,382	(656,640)
Foreign bonds	6,159,486	5,788,664	(370,822)	95,914	(466,736)
Other foreign securities	1,544,260	1,418,824	(125,435)	64,468	(189,903)
Other securities	248,157	251,419	3,261	19,658	(16,396)
Monetary claims bought	296,510	296,712	201	3,236	(3,034)
Negotiable certificates of deposit	542,300	542,253	(46)	—	(46)
Others	—	—	—	—	—
Total	27,658,862	28,635,959	977,097	2,476,638	(1,499,540)
Domestic bonds	15,168,512	15,536,037	367,524	1,016,901	(649,376)
Domestic stocks	1,065,964	2,118,958	1,052,994	1,084,853	(31,858)
Foreign securities	10,337,417	9,890,578	(446,838)	351,989	(798,828)
Foreign bonds	8,740,918	8,426,680	(314,237)	287,521	(601,758)
Other foreign securities	1,596,499	1,463,897	(132,601)	64,468	(197,069)
Other securities	248,157	251,419	3,261	19,658	(16,396)
Monetary claims bought	296,510	296,712	201	3,236	(3,034)
Negotiable certificates of deposit	542,300	542,253	(46)	—	(46)
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, 2022			As of March 31, 2023		
		Balance sheet amount	Fair value	Difference	Balance sheet amount	Fair value	Difference
Fair value exceeds the balance sheet amount	Bonds	261,940	278,138	16,197	223,225	235,660	12,434
	Foreign securities (bonds)	1,305,600	1,532,328	226,728	1,292,200	1,478,302	186,102
Fair value does not exceed the balance sheet amount	Bonds	1,636	1,627	(8)	15,731	15,607	(124)
	Foreign securities (bonds)	—	—	—	—	—	—
Total		1,569,177	1,812,094	242,917	1,531,156	1,729,570	198,413

●Policy-reserve-matching bonds

Millions of Yen

	Type	As of March 31, 2022			As of March 31, 2023		
		Balance sheet amount	Fair value	Difference	Balance sheet amount	Fair value	Difference
Fair value exceeds the balance sheet amount	Bonds	9,121,741	10,385,240	1,263,498	8,258,437	9,228,002	969,564
	Foreign securities (bonds)	408,480	422,909	14,429	169,561	175,065	5,504
Fair value does not exceed the balance sheet amount	Bonds	2,425,133	2,276,412	(148,720)	3,645,235	3,222,896	(422,338)
	Foreign securities (bonds)	559,088	511,926	(47,161)	1,119,669	984,647	(135,021)
Total		12,514,443	13,596,489	1,082,045	13,192,905	13,610,612	417,707

For available-for-sale securities, acquisition costs or amortized costs, balance sheet amount and their differences by type are as follows.

●Available-for-sale securities

Millions of Yen

	Type	As of March 31, 2022			As of March 31, 2023		
		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	122,748	127,640	4,891	60,329	63,565	3,236
	Domestic bonds	843,584	887,744	44,159	461,287	496,190	34,902
	Domestic stocks	902,583	2,084,152	1,181,568	833,642	1,918,495	1,084,853
	Foreign securities	4,487,576	4,823,301	335,724	2,058,172	2,218,554	160,382
	Foreign bonds	3,765,847	3,947,491	181,643	1,757,317	1,853,231	95,914
	Other foreign securities	721,728	875,810	154,081	300,854	365,322	64,468
	Other securities	192,719	225,564	32,845	91,605	111,263	19,658
Balance sheet amount does not exceed acquisition costs or amortized costs	Negotiable certificates of deposit	520,900	520,844	(55)	542,300	542,253	(46)
	Monetary claims bought	65,354	64,483	(870)	236,181	233,146	(3,034)
	Domestic bonds	1,909,150	1,822,223	(86,927)	2,564,593	2,337,680	(226,913)
	Domestic stocks	252,606	213,078	(39,527)	231,482	199,909	(31,573)
	Foreign securities	5,661,806	5,408,569	(253,236)	5,645,575	4,988,934	(656,640)
	Foreign bonds	4,695,327	4,509,905	(185,421)	4,402,169	3,935,432	(466,736)
	Other foreign securities	966,478	898,663	(67,815)	1,243,405	1,053,502	(189,903)
	Other securities	218,287	209,782	(8,504)	156,552	140,156	(16,396)
Total		15,177,316	16,387,386	1,210,069	12,881,722	13,250,150	368,428

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, 2022	As of March 31, 2023
Investments in subsidiaries and affiliated companies	743,750	789,941
Available-for-sale securities	134,191	198,522
Domestic stocks	19,990	21,414
Foreign stocks	34,558	34,558
Others	79,642	142,548
Total	877,942	988,463

2 Fair Value Information of Money Held in Trust (Company Total)

Millions of Yen

Classification	As of March 31, 2022					As of March 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	4,914	4,914	—	—	—	14,990	14,990	—	—	—

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, 2022		As of March 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 trusts for trading	4,914	383	14,990	28

b. Money held in trusts except for trading

Omitted as there are no ending balances for March 31, 2022 and 2023.

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, 2022	As of March 31, 2023	As of March 31, 2022	As of March 31, 2023
Interest rate swaps **Interest rate swaptions (Bought)**	1,028	1,111	122	182
Foreign currency forward contracts	127,509	119,107	4,118	2,847
Currency swaps **Currency options (Bought)**	6,684	15,348	891	1,103
Stock options (Bought) **Stock index forwards**	660	5,471	39	328
Multi-asset index options (Bought)	1,439	1,861	162	215
Total			1,497	1,399

(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, 2022						As of March 31, 2023					
	Interest-related	Currency-related	Stock-related	Bond-related	Others	Total	Interest-related	Currency-related	Stock-related	Bond-related	Others	Total
Hedge accounting applied	5,768	(555,980)	—	—	—	(550,211)	4,015	(200,674)	—	—	—	(196,659)
Hedge accounting not applied	(568)	(75,805)	(7,310)	(1,133)	(762)	(85,580)	1,147	(200,355)	(2,806)	776	(1,129)	(202,367)
Total	5,200	(631,785)	(7,310)	(1,133)	(762)	(635,792)	5,163	(401,030)	(2,806)	776	(1,129)	(399,026)

(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 ¥585,471 million and net losses of ¥229,955 million in currency-related as of March 31, 2022 and 2023, respectively.

●Interest-related

(Hedge accounting not applied)

Millions of Yen

Classification	Type	As of March 31, 2022				As of March 31, 2023			
		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)	(568)	32,500	32,500	1,147	1,147
Total					(568)				1,147

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, 2022			As of March 31, 2023		
			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	11,500	11,500	(14)	13,500	2,500	(11)
	Interest rate swaps Receipts fixed, payments floating	Insurance liabilities	77,500	77,500	(5,038)	217,500	217,500	(13,146)
Exceptional method	**Interest rate swaps**							
	Receipts fixed, payments floating	Loans	80	35	0	735	710	0
	Receipts floating, payments fixed		91,792	91,792	10,820	100,147	100,147	17,173
Total					5,768			4,015

●Currency-related

(Hedge accounting not applied)

Millions of Yen

Classification	Type	As of March 31, 2022				As of March 31, 2023			
		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	2,215,532	—	(221,515)	(221,515)	3,623,464	—	(252,498)	(252,498)
	(U.S. dollar)	983,269	—	(118,453)	(118,453)	1,829,812	—	(123,913)	(123,913)
	(Euro)	582,889	—	(29,456)	(29,456)	1,280,422	—	(124,993)	(124,993)
	(Australian dollar)	513,509	—	(60,675)	(60,675)	401,852	—	(4,138)	(4,138)
	Bought	2,640,665	—	147,989	147,989	3,524,394	—	54,022	54,022
	(U.S. dollar)	989,700	—	47,798	47,798	1,697,932	—	10,414	10,414
	(Euro)	1,034,799	—	60,119	60,119	1,337,349	—	47,940	47,940
	(Australian dollar)	485,776	—	37,184	37,184	396,207	—	(5,848)	(5,848)
	Currency options								
	Sold								
	Call	120,000	—			83,200	—		
		[313]		2,169	(1,856)	[678]		256	422
	(U.S. dollar)	120,000	—			83,200	—		
		[313]		2,169	(1,856)	[678]		256	422
	Bought								
	Put	100,000	—			914,650	—		
		[422]		—	(422)	[3,933]		1,632	(2,301)
	(U.S. dollar)	100,000	—			914,650	—		
		[422]		—	(422)	[3,933]		1,632	(2,301)
Total					(75,805)				(200,355)

(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, 2022 Notional amount/ contract value	As of March 31, 2022 Notional amount/ contract value Over 1 year	As of March 31, 2022 Fair value	As of March 31, 2023 Notional amount/ contract value	As of March 31, 2023 Notional amount/ contract value Over 1 year	As of March 31, 2023 Fair value
Fair value hedge method	**Foreign currency forward contracts**							
	Sold		7,894,713	3,363,811	(585,471)	4,762,898	702,883	(229,955)
	(U.S. dollar)	Assets denominated in foreign currencies	3,829,723	1,656,305	(318,481)	3,181,135	663,063	(168,052)
	(Euro)		2,546,059	1,265,539	(126,821)	872,598	—	(51,356)
	(Australian dollar)		1,159,427	441,967	(114,262)	524,937	27,290	(10,483)
Deferred hedge method	**Currency swaps**		37,806	37,806	(5,352)	37,806	35,351	(7,039)
	(U.S. dollar)	Assets denominated in foreign currencies	35,351	35,351	(5,057)	35,351	35,351	(6,634)
	(Euro)		2,454	2,454	(294)	2,454	—	(405)
Allocation method	**Currency swaps**	Assets denominated in foreign currencies	185,118	185,118	(15,141)	236,846	230,642	(29,226)
	(U.S. dollar)		185,118	185,118	(15,141)	236,846	230,642	(29,226)
	Currency swaps	Liabilities denominated in foreign currencies	345,510	345,510	49,984	345,510	246,030	65,546
	(U.S. dollar)		345,510	345,510	49,984	345,510	246,030	65,546
Total					(555,980)			(200,674)

●Stock-related

(Hedge accounting not applied)

Millions of Yen

Classification	Type	As of March 31, 2022 Notional amount/ contract value	As of March 31, 2022 Notional amount/ contract value Over 1 year	As of March 31, 2022 Fair value	As of March 31, 2022 Net gains (losses)	As of March 31, 2023 Notional amount/ contract value	As of March 31, 2023 Notional amount/ contract value Over 1 year	As of March 31, 2023 Fair value	As of March 31, 2023 Net gains (losses)
Exchange-traded transactions	**Stock index futures**								
	Sold	83,809	—	(6,326)	(6,326)	7,576	—	(77)	(77)
	Bought	5,044	—	408	408	68,783	—	1,104	1,104
Over-the-counter transactions	**Stock index options**								
	Sold								
	Call	— [—]	—	—	—	40,000 [1,046]	—	390	656
	Bought								
	Put	66,000 [1,392]	—	0	(1,391)	547,130 [4,936]	—	446	(4,489)
Total					(7,310)				(2,806)

(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, 2022 and 2023.

●Bond-related (Company Total)

(Hedge accounting not applied)

Millions of Yen

Classification	Type	As of March 31, 2022 Notional amount/ contract value	As of March 31, 2022 Notional amount/ contract value Over 1 year	As of March 31, 2022 Fair value	As of March 31, 2022 Net gains (losses)	As of March 31, 2023 Notional amount/ contract value	As of March 31, 2023 Notional amount/ contract value Over 1 year	As of March 31, 2023 Fair value	As of March 31, 2023 Net gains (losses)
Exchange-traded transactions	**Bond futures**								
	Bought	66,423	—	(1,133)	(1,133)	33,788	—	776	776
Total					(1,133)				776

(Note) Net gains (losses) represent the fair values.

(Hedge accounting applied)

Omitted as there are no ending balances for March 31, 2022 and 2023.

●Others (Company Total)

(Hedge accounting not applied)

Millions of Yen

Classification	Type	As of March 31, 2022 Notional amount/ contract value	As of March 31, 2022 Notional amount/ contract value Over 1 year	As of March 31, 2022 Fair value	As of March 31, 2022 Net gains (losses)	As of March 31, 2023 Notional amount/ contract value	As of March 31, 2023 Notional amount/ contract value Over 1 year	As of March 31, 2023 Fair value	As of March 31, 2023 Net gains (losses)
Over-the-counter transactions	**Multi-asset index options**								
	Sold								
	Call	136,100 [414]	—	187	227	97,881 [291]	—	182	108
	Bought								
	Call	143,926 [2,882]	—	1,892	(990)	186,144 [4,144]	—	2,905	(1,238)
Total					(762)				(1,129)

(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, 2022 and 2023.

◆ Assets

1 Portfolio Trends (General Account)

a. Asset structure

Millions of Yen, %

Classification	As of March 31, 2022		As of March 31, 2023	
	Amount	Share	Amount	Share
Cash, deposits and call loans	1,044,510	2.9	2,076,849	6.0
Monetary claims bought	310,140	0.9	407,646	1.2
Money held in trust	4,914	0.0	14,990	0.0
Investment in securities	30,720,996	86.1	28,225,231	81.7
Domestic bonds	14,520,419	40.7	14,976,500	43.3
Domestic stocks	2,459,308	6.9	2,322,637	6.7
Foreign securities	13,218,894	37.1	10,582,451	30.6
Foreign bonds	10,730,565	30.1	8,370,096	24.2
Other foreign securities	2,488,328	7.0	2,212,355	6.4
Other securities	522,373	1.5	343,641	1.0
Loans	2,192,253	6.1	2,198,274	6.4
Policy loans	244,196	0.7	234,873	0.7
Industrial and consumer loans	1,948,057	5.5	1,963,401	5.7
Real estate	556,472	1.6	588,024	1.7
Investment property	392,177	1.1	403,356	1.2
Deferred tax assets	288,586	0.8	493,008	1.4
Other assets	560,974	1.6	547,963	1.6
Allowance for possible loan losses	(925)	(0.0)	(867)	(0.0)
Total	35,677,924	100.0	34,551,122	100.0
Foreign currency denominated assets	12,660,503	35.5	9,754,013	28.2

(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, 2022	Fiscal year ended March 31, 2023
	Amount	Amount
Cash, deposits and call loans	(255,835)	1,032,339
Monetary claims bought	(255,002)	97,505
Money held in trust	4,914	10,076
Investment in securities	964,823	(2,495,764)
Domestic bonds	89,269	456,081
Domestic stocks	(21,398)	(136,671)
Foreign securities	827,248	(2,636,443)
Foreign bonds	214,173	(2,360,469)
Other foreign securities	613,075	(275,973)
Other securities	69,704	(178,731)
Loans	246,735	6,021
Policy loans	(14,353)	(9,322)
Industrial and consumer loans	261,088	15,343
Real estate	(936)	31,551
Investment property	(2,027)	11,178
Deferred tax assets	220,230	204,421
Other assets	157,864	(13,011)
Allowance for possible loan losses	(35)	58
Total	1,082,758	(1,126,801)
Foreign currency denominated assets	861,208	(2,906,490)

(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, 2022	Fiscal year ended March 31, 2023
Cash, deposits and call loans	2.53	2.86
Monetary claims bought	0.50	0.59
Money held in trust	6.18	(1.13)
Investment in securities	2.44	2.06
Domestic bonds	1.55	1.44
Domestic stocks	4.83	13.97
Foreign securities	3.21	1.54
Foreign bonds	3.39	0.41
Other foreign securities	2.35	6.16
Loans	1.61	1.64
Industrial and consumer loans	1.31	1.38
Real estate	2.77	2.23
Investment property	3.93	3.22
Total	2.16	1.79
Overseas investments	3.17	1.27

(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, 2022	Fiscal year ended March 31, 2023
Cash, deposits and call loans	1,076,992	1,268,238
Monetary claims bought	539,787	423,906
Money held in trust	1,811	9,449
Investment in securities	28,147,424	28,378,349
Domestic bonds	14,475,545	14,631,708
Domestic stocks	1,282,492	1,351,763
Foreign securities	11,953,657	11,959,660
Foreign bonds	9,950,171	9,609,526
Other foreign securities	2,003,486	2,350,134
Loans	2,149,163	2,139,151
Industrial and consumer loans	1,894,850	1,896,723
Real estate	562,799	577,575
Investment property	397,659	400,978
Total	33,781,628	34,334,827
Overseas investments	13,321,448	13,498,138

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, 2022		As of March 31, 2023	
	Amount	Share	Amount	Share
National government bonds	10,791,013	35.1	11,530,860	40.9
Local government bonds	180,166	0.6	179,858	0.6
Corporate bonds	3,549,240	11.6	3,265,782	11.6
Public entity bonds	2,202,542	7.2	2,061,529	7.3
Foreign-currency-denominated bonds	640,774	2.1	510,464	1.8
Domestic stocks	2,459,308	8.0	2,322,637	8.2
Foreign securities	13,218,894	43.0	10,582,451	37.5
Foreign bonds	10,730,565	34.9	8,370,096	29.7
Foreign-currency-denominated bonds	9,130,405	29.7	6,536,038	23.2
Other foreign securities	2,488,328	8.1	2,212,355	7.8
Foreign-currency-denominated other securities	2,354,182	7.7	2,083,495	7.4
Other securities	522,373	1.7	343,641	1.2
Total	30,720,996	100.0	28,225,231	100.0
Foreign-currency-denominated securities	12,125,362	39.5	9,129,998	32.3

7 Securities by Maturity Date (General Account)

(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

(As of March 31, 2023)

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	641,677	1,635,200	2,153,332	2,834,342	4,378,369	11,794,162	4,788,145	28,225,231
National government bonds	481,101	256,651	796,073	1,636,390	2,645,440	5,715,201	—	11,530,860
Local government bonds	2,896	5,896	—	2,695	17,049	151,321	—	179,858
Corporate bonds	95,835	183,475	399,086	183,932	156,084	1,900,286	347,082	3,265,782
Domestic stocks	—	—	—	—	—	—	2,322,637	2,322,637
Foreign securities	61,844	1,188,363	957,210	1,009,969	1,542,968	4,026,333	1,795,761	10,582,451
Foreign bonds	61,844	1,188,363	943,717	945,281	1,349,429	3,881,460	—	8,370,096
Other foreign securities	0	—	13,493	64,687	193,539	144,873	1,795,761	2,212,355
Other securities	—	813	962	1,354	16,827	1,019	322,663	343,641
Monetary claims bought	142,995	—	—	—	—	153,716	—	296,712
Negotiable certificates of deposit	542,253	—	—	—	—	—	—	542,253
Others	—	—	—	—	—	0	14,990	14,990
Total	1,326,927	1,635,200	2,153,332	2,834,342	4,378,369	11,947,879	4,803,136	29,079,188

(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, 2022	As of March 31, 2023
Hokkaido	133	131
Tohoku	—	—
Kanto	81,897	82,195
Chubu	39,602	38,923
Kinki	35,319	35,745
Chugoku	3,368	3,207
Shikoku	—	—
Kyushu	19,845	19,655
Total	180,166	179,858

9 Bonds Yields (General Account)

%

Classification	As of March 31, 2022	As of March 31, 2023
Domestic bonds	1.55	1.54
Foreign bonds	2.72	3.23

Note: Figures in this table are calculated excluding treasury discount bills.

10 Domestic Stocks by Industry (General Account)

Millions of Yen, %

Classification		As of March 31, 2022		As of March 31, 2023	
		Amount	Share	Amount	Share
Fishery, agriculture and forestry		314	0.0	320	0.0
Mining		103	0.0	100	0.0
Construction		70,545	2.9	66,288	2.9
Manufacturing	Food	76,065	3.1	76,358	3.3
	Textiles and apparel	9,698	0.4	12,335	0.5
	Pulp and paper	6,733	0.3	7,141	0.3
	Chemicals	250,844	10.2	179,119	7.7
	Pharmaceuticals	218,627	8.9	189,460	8.2
	Oil and coal products	6,084	0.2	6,185	0.3
	Rubber products	9,834	0.4	8,285	0.4
	Glass and ceramic products	26,440	1.1	23,485	1.0
	Iron and steel	21,569	0.9	24,962	1.1
	Nonferrous metals	50,212	2.0	49,016	2.1
	Metal products	8,645	0.4	9,566	0.4
	Machinery	183,248	7.5	183,219	7.9
	Electric appliances	309,705	12.6	309,327	13.3
	Transportation equipment	92,789	3.8	69,250	3.0
	Precision instruments	22,015	0.9	22,097	1.0
	Other products	65,864	2.7	66,709	2.9
Electric power and gas		26,148	1.1	27,967	1.2
Transportation, information and communication	Land transportation	182,552	7.4	172,698	7.4
	Marine transportation	11,425	0.5	11,003	0.5
	Air transportation	3,129	0.1	3,501	0.2
	Warehousing and harbor transportation services	10,313	0.4	11,411	0.5
	Information and communication	87,067	3.5	74,439	3.2
Trade and services	Wholesale trade	217,109	8.8	198,505	8.5
	Retail trade	41,744	1.7	40,576	1.7
Finance and insurance	Banking	158,556	6.4	159,289	6.9
	Securities and trading	5,240	0.2	6,369	0.3
	Insurance	173,624	7.1	200,388	8.6
	Other financial services	28,013	1.1	17,821	0.8
Real estate		26,697	1.1	34,967	1.5
Services		58,341	2.4	60,466	2.6
Total		2,459,308	100.0	2,322,637	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, 2022		As of March 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
Trading securities	4,914	383	14,990	28

Note: The above table includes money held in trusts for trading.

b. Fair value information of securities (with market prices except for trading securities)

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	—	—	—	—	—

Millions of Yen

Classification	As of March 31, 2023				
	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)
Policy-reserve-matching bonds	13,192,905	13,610,612	417,707	975,068	(557,360)
Investments in subsidiaries and affiliated companies	53,077	45,626	(7,451)	—	(7,451)
Available-for-sale securities	12,881,722	13,250,150	368,428	1,303,032	(934,604)
Domestic bonds	3,025,881	2,833,870	(192,011)	34,902	(226,913)
Domestic stocks	1,065,125	2,118,405	1,053,280	1,084,853	(31,573)
Foreign securities	7,703,747	7,207,489	(496,257)	160,382	(656,640)
Foreign bonds	6,159,486	5,788,664	(370,822)	95,914	(466,736)
Other foreign securities	1,544,260	1,418,824	(125,435)	64,468	(189,903)
Other securities	248,157	251,419	3,261	19,658	(16,396)
Monetary claims bought	296,510	296,712	201	3,236	(3,034)
Negotiable certificates of deposit	542,300	542,253	(46)	—	(46)
Others	—	—	—	—	—
Total	27,658,862	28,635,959	977,097	2,476,638	(1,499,540)
Domestic bonds	15,168,512	15,536,037	367,524	1,016,901	(649,376)
Domestic stocks	1,065,964	2,118,958	1,052,994	1,084,853	(31,858)
Foreign securities	10,337,417	9,890,578	(446,838)	351,989	(798,828)
Foreign bonds	8,740,918	8,426,680	(314,237)	287,521	(601,758)
Other foreign securities	1,596,499	1,463,897	(132,601)	64,468	(197,069)
Other securities	248,157	251,419	3,261	19,658	(16,396)
Monetary claims bought	296,510	296,712	201	3,236	(3,034)
Negotiable certificates of deposit	542,300	542,253	(46)	—	(46)
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, 2022	As of March 31, 2023
Investments in subsidiaries and affiliated companies	743,750	789,941
Available-for-sale securities	134,191	198,522
Domestic stocks	19,990	21,414
Foreign stocks	34,558	34,558
Others	79,642	142,548
Total	877,942	988,463

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, 2022					As of March 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	4,914	4,914	—	—	—	14,990	14,990	—	—	—

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, 2022		As of March 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 trusts for trading	4,914	383	14,990	28

(2) Money held in trusts except for trading

Omitted as there are no ending balances for March 31, 2022 and 2023.

(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, 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	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	—	—	—	—	—

Millions of Yen

Classification	As of March 31, 2023				
	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)
Policy-reserve-matching bonds	13,192,905	13,610,612	417,707	975,068	(557,360)
Investments in subsidiaries and affiliated companies	843,019	879,255	36,235	43,687	(7,451)
Available-for-sale securities	13,080,244	13,497,116	416,871	1,352,016	(935,144)
Domestic bonds	3,025,881	2,833,870	(192,011)	34,902	(226,913)
Domestic stocks	1,086,539	2,139,820	1,053,280	1,084,853	(31,573)
Foreign securities	7,873,993	7,425,358	(448,635)	208,543	(657,179)
Foreign bonds	6,159,486	5,788,664	(370,822)	95,914	(466,736)
Other foreign securities	1,714,507	1,636,693	(77,813)	112,629	(190,443)
Other securities	255,018	259,101	4,082	20,480	(16,397)
Monetary claims bought	296,510	296,712	201	3,236	(3,034)
Negotiable certificates of deposit	542,300	542,253	(46)	—	(46)
Others	—	—	—	—	—
Total	28,647,325	29,716,554	1,069,228	2,569,309	(1,500,080)
Domestic bonds	15,168,512	15,536,037	367,524	1,016,901	(649,376)
Domestic stocks	1,269,357	2,322,351	1,052,994	1,084,853	(31,858)
Foreign securities	11,031,086	10,675,557	(355,529)	443,838	(799,367)
Foreign bonds	8,740,918	8,426,680	(314,237)	287,521	(601,758)
Other foreign securities	2,290,168	2,248,876	(41,291)	156,316	(197,608)
Other securities	339,559	343,641	4,082	20,480	(16,397)
Monetary claims bought	296,510	296,712	201	3,236	(3,034)
Negotiable certificates of deposit	542,300	542,253	(46)	—	(46)
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 ¥29,618 million and ¥92,131 million as of March 31, 2022 and 2023, respectively.

Net gains (losses) on real estate (Land/leasehold)

Millions of Yen

Classification	As of March 31, 2022	As of March 31, 2023
Net gains (losses) on real estate	186,055	212,562

(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, 2022						As of March 31, 2023					
	Interest-related	Currency-related	Stock-related	Bond-related	Others	Total	Interest-related	Currency-related	Stock-related	Bond-related	Others	Total
Hedge accounting applied	5,768	(555,980)	—	—	—	(550,211)	4,015	(200,674)	—	—	—	(196,659)
Hedge accounting not applied	(568)	(73,414)	(6,653)	—	(762)	(81,399)	1,147	(200,021)	(3,833)	—	(1,129)	(203,836)
Total	5,200	(629,394)	(6,653)	—	(762)	(631,611)	5,163	(400,696)	(3,833)	—	(1,129)	(400,496)

(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 ¥585,471 million and net losses of ¥229,955 million in currency-related as of March 31, 2022 and 2023, respectively.

(2) Interest-related

Millions of Yen

Classification	Type	As of March 31, 2022				As of March 31, 2023			
		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	136,580	136,535	(5,619)	(5,619)	264,235	253,210	(12,010)	(12,010)
	Receipts floating, payments fixed	91,792	91,792	10,820	10,820	100,147	100,147	17,173	17,173
Total					5,200				5,163

(Notes) 1. Net gains (losses) represent the fair values.

(Reference) Details of interest rate swaps

Millions of Yen, %

Classification	As of March 31, 2023						
	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)	11,025	510	2,000	700	—	250,000	264,235
Average fixed rate (receipt)	1.20	0.18	0.71	0.83	—	0.75	0.77
Average floating rate (payment)	1.21	0.25	0.37	0.30	—	(0.03)	0.03
Notional amount (payments fixed, receipts floating)	—	—	40,059	—	60,088	—	100,147
Average fixed rate (payment)	—	—	1.83	—	2.39	—	2.17
Average floating rate (receipt)	—	—	6.14	—	6.50	—	6.36

(3) Currency-related

Millions of Yen

Classification	Type	As of March 31, 2022				As of March 31, 2023			
		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	10,036,218	3,363,811	(804,302)	(804,302)	8,298,542	702,883	(482,097)	(482,097)
	(U.S. dollar)	4,771,599	1,656,305	(435,508)	(435,508)	4,959,945	663,063	(292,026)	(292,026)
	(Euro)	3,105,975	1,265,539	(155,306)	(155,306)	2,131,914	—	(176,149)	(176,149)
	(Australian dollar)	1,672,038	441,967	(174,858)	(174,858)	926,262	27,290	(14,634)	(14,634)
	Bought	2,631,404	—	147,695	147,695	3,522,443	—	54,000	54,000
	(U.S. dollar)	985,226	—	47,675	47,675	1,697,147	—	10,407	10,407
	(Euro)	1,030,813	—	59,991	59,991	1,336,183	—	47,926	47,926
	(Australian dollar)	485,633	—	37,174	37,174	396,207	—	(5,848)	(5,848)
	Currency options								
	Sold								
	Call	120,000	—			83,200	—		
		[313]		2,169	(1,856)	[678]		256	422
	(U.S. dollar)	120,000	—			83,200	—		
		[313]		2,169	(1,856)	[678]		256	422
	Bought								
	Put	100,000	—			914,650	—		
		[422]		—	(422)	[3,933]		1,632	(2,301)
	(U.S. dollar)	100,000	—			914,650	—		
		[422]		—	(422)	[3,933]		1,632	(2,301)
	Currency swaps	37,806	37,806	(5,352)	(5,352)	37,806	35,351	(7,039)	(7,039)
	(U.S. dollar)	35,351	35,351	(5,057)	(5,057)	35,351	35,351	(6,634)	(6,634)
	(Euro)	2,454	2,454	(294)	(294)	2,454	—	(405)	(405)
Total					(664,237)				(437,016)

(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, 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; and those as of March 31, 2023 include contract value in U.S. dollar of ¥582,357 million, fair value of ¥36,319 million and net gains of ¥36,319 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, 2022				As of March 31, 2023			
		Notional amount/ contract value	Over 1 year	Fair value	Net gains (losses)	Notional amount/ contract value	Over 1 year	Fair value	Net gains (losses)
Exchange-traded transactions	Stock index futures Sold	73,756	—	(5,261)	(5,261)	—	—	—	—
Over-the-counter transactions	Stock index options Sold Call	— [—]	—	—	—	40,000 [1,046]	—	390	656
	Bought Put	66,000 [1,392]	—	0	(1,391)	547,130 [4,936]	—	446	(4,489)
Total					(6,653)				(3,833)

(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

Omitted as there are no ending balances for March 31, 2022 and 2023.

(6) Others

Millions of Yen

Classification	Type	As of March 31, 2022				As of March 31, 2023			
		Notional amount/ contract value	Over 1 year	Fair value	Net gains (losses)	Notional amount/ contract value	Over 1 year	Fair value	Net gains (losses)
Over-the-counter transactions	Multi-asset index options Sold Call	136,100 [414]	—	187	227	97,881 [291]	—	182	108
	Bought Call	143,926 [2,882]	—	1,892	(990)	186,144 [4,144]	—	2,905	(1,238)
Total					(762)				(1,129)

(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, 2023	
	Number of stocks	Total balance sheet amount
Unlisted stocks	39	7,914
Listed stocks	2	1,452

c. Breakdown of stockholdings other than those held solely for pure investment purposes (excluding unlisted stocks)

Stock name	Fiscal year ended March 31, 2022 Number of shares held (Thousand shares) Balance sheet amount (Millions of Yen)	Fiscal year ended March 31, 2023 Number of shares held (Thousand shares) Balance sheet amount (Millions of Yen)	Purpose of holding
Advance Create Co., Ltd.	989	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.
	940	1,032	
IRRC Corporation	566	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.
	519	420	

d. Stockholdings for pure investment purposes

Millions of Yen

Classification	Fiscal year ended March 31, 2023	
	Number of stocks	Total balance sheet amount
Unlisted stocks	229	8,110
Others	1,134	2,116,952

Millions of Yen

Classification	Year ended March 31, 2023			
	Dividend income	Total gains (losses) from sales	Total valuation gains (losses)	
			Total unrealized gains (losses)	Total impairment losses
Unlisted stocks	795	1,364	—	(14)
Others	64,408	127,458	1,052,635	(2,609)

13 Loans (General Account)

Millions of Yen

Classification	As of March 31, 2022	As of March 31, 2023
Policy loans	244,196	234,873
Policy holder loans	222,703	214,618
Premium loans	21,493	20,255
Industrial and consumer loans	1,948,057	1,963,401
[Loans to non-residents]	[91,792]	[141,112]
Corporate loans	1,690,979	1,762,288
[Corporate loans - domestic]	[1,599,187]	[1,621,176]
Loans to national, international and government-affiliated organizations	228,641	169,994
Loans to public entities	26,500	29,500
Housing loans	1,935	1,614
Consumer loans	1	3
Other loans	—	—
Total	2,192,253	2,198,274

14 Industrial and Consumer Loans by Maturity Date (General Account)

(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

(As of March 31, 2023)

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	50,914	5,662	48,099	13,199	68,483	91,231	6,000	283,591
Fixed-rate loans	259,049	233,306	226,014	130,227	274,284	556,926	—	1,679,809
Total loans	309,963	238,969	274,114	143,427	342,768	648,157	6,000	1,963,401

15 Loans to Domestic Companies by Company Size (General Account)

Number of borrowers, Millions of Yen, %

Classification		As of March 31, 2022		As of March 31, 2023	
			Share		Share
Large companies	Number of borrowers	172	74.8	171	72.8
	Amount of loans	1,419,005	88.7	1,410,418	87.0
Medium-sized companies	Number of borrowers	—	—	—	—
	Amount of loans	—	—	—	—
Small companies	Number of borrowers	58	25.2	64	27.2
	Amount of loans	180,181	11.3	210,757	13.0
Total loans to domestic companies	Number of borrowers	230	100.0	235	100.0
	Amount of loans	1,599,187	100.0	1,621,176	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	Paid-in capital ¥1.0 billion or more	More than 50 employees and	Paid-in capital ¥1.0 billion or more	More than 100 employees and	Paid-in capital ¥1.0 billion or more	More than 100 employees and	Paid-in capital ¥1.0 billion or more
Medi-um-sized 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
Small companies	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, 2022		As of March 31, 2023	
			Amount	Share	Amount	Share
Domestic	Manufacturing		175,950	9.0	163,498	8.3
		Food	12,014	0.6	14,014	0.7
		Textiles and apparel	900	0.0	900	0.0
		Wood, wood products	400	0.0	400	0.0
		Pulp and paper	14,750	0.8	16,700	0.9
		Printing	—	—	—	—
		Chemicals	24,515	1.3	26,316	1.3
		Oil and coal products	29,080	1.5	25,800	1.3
		Ceramics, soil and stone	8,594	0.4	10,056	0.5
		Iron and steel	32,300	1.7	18,100	0.9
		Nonferrous metals	4,650	0.2	4,650	0.2
		Metal products	1,064	0.1	1,021	0.1
		General purpose, production, and industrial machinery	12,466	0.6	12,847	0.7
		Electric appliances	19,570	1.0	16,130	0.8
		Transportation equipment	14,606	0.7	15,542	0.8
		Other manufacturing products	1,040	0.1	1,020	0.1
	Agriculture and forestry		—	—	—	—
	Fishery		—	—	—	—
	Mining, quarrying and gravel mining		—	—	—	—
	Construction		5,361	0.3	10,487	0.5
	Electric power, gas, heat supply and waterworks		236,505	12.1	241,496	12.3
	Information and communication		25,000	1.3	20,990	1.1
	Logistics and postal services		164,714	8.5	169,955	8.7
	Wholesale trade		367,700	18.9	339,500	17.3
	Retail trade		5,581	0.3	4,990	0.3
	Financing and insurance		345,187	17.7	396,523	20.2
	Real estate		180,010	9.2	188,359	9.6
	Rental and leasing services		111,472	5.7	107,232	5.5
	Scientific, professional, and technical services		—	—	—	—
	Lodging		—	—	—	—
	Restaurants		—	—	—	—
	Lifestyle and leisure		—	—	—	—
	Education and training		—	—	—	—
	Medical and welfare		—	—	—	—
	Other services		8,727	0.4	8,000	0.4
	Local organizations and public entities		—	—	—	—
	Individuals (residential/consumption/local taxes/other)		1,936	0.1	1,618	0.1
	Subtotal		1,856,264	95.3	1,822,288	92.8
Overseas	Governments and public entities		—	—	—	—
	Financial institutions		91,792	4.7	141,112	7.2
	Commerce and industry		—	—	—	—
	Subtotal		91,792	4.7	141,112	7.2
	Total loans		1,948,057	100.0	1,963,401	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. (¥228.1 billion as of March 31, 2022;¥169.6 billion as of March 31, 2023)

17 Loans by Use (General Account)

Millions of Yen, %

Classification	As of March 31, 2022		As of March 31, 2023	
	Amount	Share	Amount	Share
Capital investments	194,436	10.0	181,620	9.3
Operations	1,065,083	54.7	1,048,388	53.4

(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, 2022		As of March 31, 2023	
	Amount	Share	Amount	Share
Hokkaido	9,798	0.5	9,266	0.5
Tohoku	18,521	1.0	17,110	0.9
Kanto	1,534,505	82.8	1,502,644	82.5
Chubu	97,300	5.2	97,100	5.3
Kinki	139,838	7.5	140,366	7.7
Chugoku	15,225	0.8	15,112	0.8
Shikoku	5,550	0.3	5,550	0.3
Kyushu	33,590	1.8	33,520	1.8
Total	1,854,328	100.0	1,820,670	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, 2022		As of March 31, 2023	
	Amount	Share	Amount	Share
Secured loans	11,889	0.6	10,732	0.5
Loans secured by securities	—	—	—	—
Loans secured by real estate, movables and foundations	11,889	0.6	10,732	0.5
Loans secured by personal guarantees	—	—	—	—
Guarantee loans	13,104	0.7	12,656	0.6
Fiduciary loans	1,921,126	98.6	1,938,394	98.7
Other loans	1,936	0.1	1,618	0.1
Industrial and consumer loans	1,948,057	100.0	1,963,401	100.0
Subordinated loans	116,000	6.0	125,800	6.4

20 Status of Loans under the Insurance Business Act

Millions of Yen, %

Classification	As of March 31, 2022	As of March 31, 2023
Bankrupt and quasi-bankrupt loans	—	—
Doubtful loans	755	783
Loans in arrears for three months or longer	—	—
Restructured loans	600	—
Subtotal	1,355	783
[Percentage of total]	[0.02]	[0.01]
Normal loans	6,993,043	6,211,212
Total	6,994,398	6,211,996

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, 2022	As of March 31, 2023
Balance of specific allowance for possible loan losses	242	247
Balance of general allowance for possible loan losses	682	619
Total allowance for possible loan losses	925	867

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, 2022	As of March 31, 2023
Solvency margin gross amount (A)		4,994,392	4,257,297
Foundation funds and others		812,685	902,886
Reserve for price fluctuation		971,947	849,526
Contingency reserve		701,900	752,500
General allowance for possible loan losses		682	619
(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)		1,114,089	369,236
Net unrealized gains on real estate × 85% (Multiplied by 100% if losses)		118,199	140,576
Excess of continued Zillmerized reserve		723,074	727,392
Qualifying subordinated debt		600,510	566,510
Excess of continued Zillmerized reserve and qualifying subordinated debt not included in margin calculation		—	—
Deduction clause		(120,000)	(160,000)
Others		71,303	108,048
Total amount of risk $\sqrt{(R_1 + R_8)^2 + (R_2 + R_3 + R_7)^2} + R_4$ (B)		1,234,561	1,047,545
Insurance risk	R_1	63,221	61,574
Third-sector insurance risk	R_8	67,325	69,167
Risk of assumed yield	R_2	175,378	175,772
Minimum guarantee risk	R_7*	3,045	2,973
Investment risk	R_3	1,022,434	837,483
Operational risk	R_4	26,628	22,939
Solvency margin ratio $\frac{(A)}{(1/2) \times (B)} \times 100$		809.0%	812.8%

* 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.

Items	Description	Statutory grounds
Foundation funds and others	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. [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")
Reserve for price fluctuation	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.	Article 86 Paragraph 1 Item 2 of the Ordinance
Contingency reserves	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. * 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."	Article 86 Paragraph 1 Item 3 of the Ordinance
General allowance for possible loan losses	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.	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)	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. 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)	Article 86 Paragraph 1 Item 5 of the Ordinance
Net unrealized gains on real estate	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.	Article 86 Paragraph 1 Item 6 of the Ordinance
Excess of continued Zillmerized reserve	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. 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.	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	The amount represents the value of qualifying subordinated debt, a component of loans payable presented on the balance sheets, as stated below. Millions of Yen	Article 86 Paragraph 1 Item 7 of the Ordinance and Article 1 Paragraph 4 Item 5 of the Public Notice No. 50

Items	As of March 31, 2022	As of March 31, 2023
The amount of qualifying subordinated debt ((i)+(ii)+(iii))	600,510	566,510
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)	600,510	566,510
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 1-2 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.

Items	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, 2022	As of March 31, 2023
Internal reserves and surplus		2,477.8	2,496.0
Liabilities	Contingency reserves	701.9	752.5
	Reserve for price fluctuation	971.9	849.5
Net assets	Fund for price fluctuation allowance	165.0	255.0
	Reserve for redemption of foundation funds	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, 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	—

(As of March 31, 2023)

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	356,840	50,298	22,051 [350]	—	385,086	—	—
Buildings	177,432	42,051	8,651 [1,970]	13,063	197,769	415,947	67.7
Lease assets	3,061	119	2	1,450	1,727	6,627	79.3
Construction in progress	22,200	43,904	60,935	—	5,169	—	—
Other tangible fixed assets	4,032	2,539	561	1,291	4,720	17,748	78.9
Total	563,567	138,913	92,203	15,805	594,472	440,324	—

(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 ¥404,931 million as of March 31, 2023.

b. Amount of real estate and numbers of buildings held for leasing

Millions of Yen

Classification	As of March 31, 2022	As of March 31, 2023
Amount of real estate	556,472	588,024
For business operations	164,295	184,668
For lease	392,177	403,356
Number of buildings held for leasing	85	84

25 Other Assets

(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

(As of March 31, 2023)

Millions of Yen

Type of asset	Acquisition cost	Increase in the fiscal year	Decrease in the fiscal year	Accumulated depreciation	Ending balance
Deferred assets	22,298	397	176	21,322	975
Others	12,932	76,644	92,524	0	12,932
Total	35,230	77,042	92,701	21,322	13,908

26 Status of Public Sector Investment and Loans (General Account)

Millions of Yen

Classification		Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Public bonds	National government bonds	—	—
	Local government bonds	—	—
	Public entity bonds	504	497
	Subtotal	504	497
Loans	Government-affiliated organizations	466,455	446,056
	Local organizations and public entities	5,000	3,000
	Subtotal	471,455	449,056
Total		471,959	449,553

(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, 2022		As of March 31, 2023	
	Amount	Share	Amount	Share
Foreign bonds	9,771,179	65.8	7,046,502	58.0
Other foreign securities	2,354,182	15.8	2,083,495	17.2
Cash, deposits and others	535,141	3.6	624,015	5.1
Net foreign currency denominated assets	12,660,503	85.2	9,754,013	80.3

●Foreign currency denominated assets with fixed yen value

Millions of Yen, %

Classification	As of March 31, 2022		As of March 31, 2023	
	Amount	Share	Amount	Share
Loans	185,118	1.2	236,846	2.0
Cash, deposits and others	3,132	0.0	3,244	0.0
Net foreign currency denominated assets with fixed yen value	188,251	1.3	240,091	2.0

●Yen-denominated assets

Millions of Yen, %

Classification	As of March 31, 2022		As of March 31, 2023	
	Amount	Share	Amount	Share
Foreign bonds	1,600,160	10.8	1,834,058	15.1
Other foreign securities	388,794	2.6	271,013	2.2
Others	15,817	0.1	40,272	0.3
Net yen-denominated assets	2,004,772	13.5	2,145,344	17.7

●Total

Millions of Yen, %

Classification	As of March 31, 2022		As of March 31, 2023	
	Amount	Share	Amount	Share
Overseas loans and investments	14,853,528	100.0	12,139,449	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, 2022)

Millions of Yen, %

Classification	Foreign securities						Loans to non-residents	
			Foreign bonds		Other foreign securities			
	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

(As of March 31, 2023)

Millions of Yen, %

Classification	Foreign securities						Loans to non-residents	
			Foreign bonds		Other foreign securities			
	Amount	Share	Amount	Share	Amount	Share	Amount	Share
North America	4,298,366	40.6	3,771,103	45.1	527,263	23.8	141,112	100.0
Europe	1,828,123	17.3	1,709,754	20.4	118,368	5.4	—	—
Oceania	630,571	6.0	630,571	7.5	—	—	—	—
Asia	161,532	1.5	2,019	0.0	159,512	7.2	—	—
Central and South America	3,450,631	32.6	2,043,421	24.4	1,407,210	63.6	—	—
Middle East	—	—	—	—	—	—	—	—
Africa	3,533	0.0	3,533	0.0	—	—	—	—
International organizations	209,692	2.0	209,692	2.5	—	—	—	—
Total	10,582,451	100.0	8,370,096	100.0	2,212,355	100.0	141,112	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, 2022		As of March 31, 2023	
	Amount	Share	Amount	Share
U.S. Dollar	7,573,450	59.8	7,314,169	75.0
Australian Dollar	1,656,420	13.1	916,665	9.4
Euro	2,566,665	20.3	905,311	9.3
New Zealand Dollar	385,779	3.0	244,187	2.5
Canadian Dollar	218,115	1.7	211,719	2.2
Vietnam Dong	52,257	0.4	52,260	0.5
Chinese Yuan	109,231	0.9	50,381	0.5
Singapore Dollar	37,004	0.3	41,183	0.4
Indonesia Rupiah	15,722	0.1	15,722	0.2
Polish Zloty	31,532	0.2	2,394	0.0
Mexican Peso	14,298	0.1	—	—
Others	24	0.0	16	0.0
Total	12,660,503	100.0	9,754,013	100.0

◆ Liabilities

1 Reserve for Outstanding Claims

Millions of Yen

Classification		As of March 31, 2022	As of March 31, 2023
Claims paid	Mortality insurance claims	61,465	66,738
	Accident insurance claims	2,594	2,559
	Serious disability insurance claims	3,068	3,106
	Maturity insurance amount	1,190	1,034
	Others	956	1,002
	Subtotal	69,276	74,440
Annuity payments		4,796	4,990
Benefits payments		29,285	28,473
Surrender benefits		6,484	5,287
Payments of benefits left to accumulate at interest		5,135	4,429
Total including other reserves		117,678	120,531

2 Policy Reserves

Millions of Yen

Classification		As of March 31, 2022	As of March 31, 2023
Policy reserves (excluding contingency reserves)	Individual life insurance	15,009,485	15,233,783
	[General account]	[14,948,419]	[15,176,780]
	[Separate account]	[61,066]	[57,003]
	Individual annuities	9,249,123	9,419,215
	[General account]	[9,195,656]	[9,378,807]
	[Separate account]	[53,467]	[40,407]
	Group insurance	15,979	15,721
	[General account]	[15,979]	[15,721]
	[Separate account]	[—]	[—]
	Group annuities	2,716,382	2,699,982
	[General account]	[2,015,306]	[2,020,094]
	[Separate account]	[701,076]	[679,888]
	Others	191,383	184,269
	[General account]	[191,383]	[184,269]
	[Separate account]	[—]	[—]
	Subtotal	27,182,355	27,552,973
	[General account]	[26,366,744]	[26,775,673]
	[Separate account]	[815,610]	[777,299]
Contingency reserves		701,900	752,500
Total		27,884,255	28,305,473
[General account]		[27,068,644]	[27,528,173]
[Separate account]		[815,610]	[777,299]

3 Policy Reserve Balance

(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

(As of March 31, 2023)

Millions of Yen

Classification	Insurance reserve funds	Unearned insurance premiums	Refund reserve	Contingency reserves	Total
Balance	26,027,387	1,525,585	—	752,500	28,305,473

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, 2022	As of March 31, 2023
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	82,714	4.00%～5.00%
1981 – 1985	326,180	5.00%～5.50%
1986 – 1990	1,620,848	5.50%
1991 – 1995	2,785,549	3.75%～5.50%
1996 – 2000	1,255,603	2.00%～2.75%
2001 – 2005	1,148,463	1.50%
2006 – 2010	2,874,244	1.00%～1.50%
2011	904,909	1.00%～1.50%
2012	1,390,002	1.00%～1.50%
2013	955,835	0.50%～1.00%
2014	1,119,967	0.50%～1.00%
2015	1,569,306	0.50%～1.00%
2016	2,214,042	0.25%～1.00%
2017	1,133,161	0.25%～3.75%
2018	1,010,675	0.25%～3.95%
2019	966,107	0.25%～3.55%
2020	1,005,501	0.00%～2.55%
2021	1,027,755	0.00%～3.35%
2022	1,164,717	0.25%～4.75%

(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 2023.

○ 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	61.9%	54.0%	70.5%
Of which, the general medical riders group	51.2%	47.4%	55.6%
Of which, the specified severe lifestyle disease coverage group	49.5%	44.9%	54.1%
Of which, the lifestyle disability coverage group	78.2%	57.0%	99.6%

As a result of the stress test conducted at the closing of the fiscal year ended March 31, 2023, 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, 2023 was ¥8,984 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, 2022	As of March 31, 2023
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 ¥2,099 million was deducted at March 31, 2023 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*	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).	Basic portion: 4.0% for 15 years deferral period, and 4.5% for 20 years deferral period (These rates are 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, 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]

(Fiscal year ended March 31, 2023)

Millions of Yen

Classification	Individual life insurance	Individual annuities	Group insurance	Group annuities	Workers' asset-formation insurance and annuities	Other insurance	Total
Beginning balance	202,448	12,073	1,296	46	355	6	216,226
Transfer from surplus in the previous fiscal year	16,261	2,051	36,948	2,909	0	139	58,310
Interest accrued during the fiscal year	26	0	0	—	0	0	26
Dividend payments to policyholders during the fiscal year	18,375	889	36,580	2,863	50	136	58,895
Ending balance	200,360	13,235	1,664	92	304	9	215,667
	[195,483]	[10,573]	[325]	[—]	[302]	[5]	[206,690]

(Note) The numbers in [ ] indicate accumulated dividends reserved.

8 Allowance for Possible Loan Losses and Other Reserves

(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.

(Fiscal year ended March 31, 2023)

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	682	619	(62)	Allowance for possible loan losses is recorded to cover bad-debt loss.
	Specific allowance for possible loan losses	242	247	4	
	Allowance for specific overseas debt	—	—	—	
Accrued retirement benefits		—	—	—	Accrued retirement benefits are recorded based on "Accounting Standard for Retirement Benefits."
Reserve for price fluctuations		971,947	849,526	(122,420)	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, 2022	As of March 31, 2023
Amount of provision	274	277
Amount of reversal (Excluding reversal accompanying write-off)	284	263
Net provision	(10)	14

10 Status of Allowance for Specific Overseas Debt

a. Allowance for specific overseas debt

Omitted as there are no ending balances for March 31, 2022 and 2023.

b. Balance of debt by creditor countries

Omitted as there are no ending balances for March 31, 2022 and 2023.

11 Loans etc. payable by Due Date

(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

(As of March 31, 2023)

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	—	—	—	—	—	170,000	170,000
Corporate bonds	—	—	—	—	—	396,510	396,510

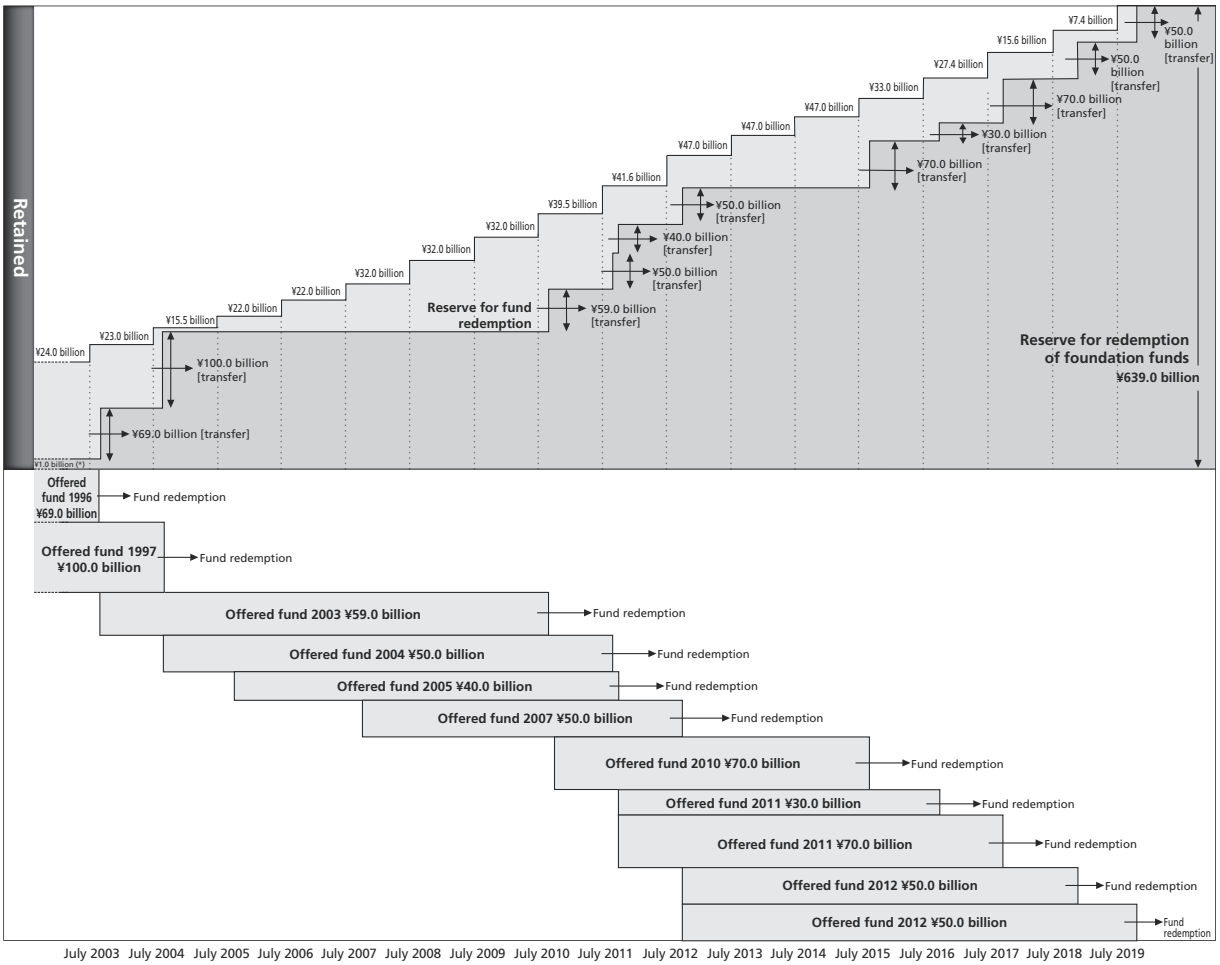
◆ Net Assets

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, 2023 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, 2022	Fiscal year ended March 31, 2023
Individual life insurance	1,308,061	1,460,498
(Lump-sum payment)	339,071	562,522
(Annual payment)	157,522	103,998
(Semiannual payment)	3,875	3,480
(Monthly payment)	807,592	790,497
Individual annuities	521,182	469,468
(Lump-sum payment)	32,200	71,254
(Annual payment)	194,382	107,619
(Semiannual payment)	2,972	2,810
(Monthly payment)	291,626	287,784
Group insurance	93,000	94,343
Group annuities	203,310	175,888
Total including other premiums	2,140,392	2,213,957

(Note) Annual payment represent amounts which include payment made once a year, and semiannual payment represent amounts which include payments made twice a year.

2 Claims Paid

a. Amount

(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

(Fiscal year ended March 31, 2023)

Millions of Yen

Classification	Individual life insurance	Individual annuities	Group insurance	Group annuities	Workers' asset-formation insurance and annuities	Other insurance	Total
Mortality	369,639	3,542	42,920	—	—	9	416,111
Accident	11,030	15	127	—	104	5	11,283
Serious disability	5,370	35	3,363	—	—	—	8,769
Maturity	104,440	6	—	—	2,111	—	106,558
Others	4,670	0	—	—	—	—	4,670
Total	495,151	3,599	46,411	—	2,215	15	547,393

b. Number of policies

(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
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

(Fiscal year ended March 31, 2023)

Number of policies

Classification	Individual life insurance	Individual annuities	Group insurance	Group annuities	Workers' asset-formation insurance and annuities	Other insurance	Total
Mortality	77,905	543	40,034	—	—	108	118,590
Accident	1,744	2	189	—	5	1	1,941
Serious disability	816	4	2,560	—	—	—	3,380
Maturity	23,898	30	—	—	1,504	—	25,432
Others	8,822	1	—	—	—	—	8,823
Total	113,185	580	42,783	—	1,509	109	158,166

3 Annuity Payments

a. Amount

(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

(Fiscal year ended March 31, 2023)

Millions of Yen

Individual life insurance	Individual annuities	Group insurance	Group annuities	Workers' asset-formation insurance and annuities	Other insurance	Total
—	372,445	349	48,616	3,145	—	424,557

b. Number of policies

(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

(Fiscal year ended March 31, 2023)

Number of policies

Individual life insurance	Individual annuities	Group insurance	Group annuities	Workers' asset-formation insurance and annuities	Other insurance	Total
—	589,080	16,236	1,978,487	10,899	—	2,594,702

4 Benefits Payments

a. Amount

(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

(Fiscal year ended March 31, 2023)

Millions of Yen

Classification	Individual life insurance	Individual annuities	Group insurance	Group annuities	Workers' asset-formation insurance and annuities	Other insurance	Total
Death benefits	50,988	12,283	6	—	164	—	63,443
Hospitalization benefits	132,868	648	162	—	—	94	133,774
Surgical benefits	31,367	597	—	—	—	9	31,974
Disability benefits	4,708	9	22	—	9	—	4,750
Survival benefits	46,133	305	—	—	353	—	46,792
Others	5,264	0	0	102,748	53	2	108,069
Total	271,331	13,844	192	102,748	580	106	388,804

b. Number of policies

(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

(Fiscal year ended March 31, 2023)

Number of policies

Classification	Individual life insurance	Individual annuities	Group insurance	Group annuities	Workers' asset-formation insurance and annuities	Other insurance	Total
Death benefits	23,287	4,520	469	—	70	—	28,346
Hospitalization benefits	1,944,464	12,998	3,991	—	—	43,014	2,004,467
Surgical benefits	438,615	7,364	—	—	—	3,001	448,980
Disability benefits	61,143	126	94	—	1	—	61,364
Survival benefits	105,035	1,314	—	—	118	—	106,467
Others	41,372	8	94	499,824	123	66	541,487
Total	2,613,916	26,330	4,648	499,824	312	46,081	3,191,111

5 Surrender Benefits

(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

(Fiscal year ended March 31, 2023)

Millions of Yen

Individual life insurance	Individual annuities	Group insurance	Group annuities	Workers' asset-formation insurance and annuities	Other insurance	Total
380,311	118,142	—	36,483	16,686	—	551,624

◆ Investment-related Income

1 Investment Income (General Account)

Millions of Yen, %

Classification	Fiscal year ended March 31, 2022		Fiscal year ended March 31, 2023	
		Rate of increase (decrease)		Rate of increase (decrease)
Interest, dividends, and other income	667,365	109.1	761,129	114.0
Gains on money held in trust	379	—	287	75.5
Gains on sales of securities	67,019	84.4	358,718	535.2
Gains on redemption of securities	1,761	10.8	1,120	63.6
Gains on derivative financial instruments	2,546	—	—	—
Foreign exchange gains	98,853	—	80,608	81.5
Reversal of allowance for possible loan losses	—	—	48	—
Other investment income	2,732	185.3	1,100	40.3
Total	840,657	118.6	1,203,013	143.1

2 Investment Expenses (General Account)

Millions of Yen, %

Classification	Fiscal year ended March 31, 2022		Fiscal year ended March 31, 2023	
		Rate of increase (decrease)		Rate of increase (decrease)
Interest expenses	10,363	98.9	21,778	210.1
Losses on sales of securities	68,051	398.2	344,998	507.0
Losses on valuation of securities	9,633	475.6	2,690	27.9
Losses on redemption of securities	—	—	75	—
Losses on derivative financial instruments	—	—	161,882	—
Provision for allowance for possible loan losses	43	13.8	—	—
Depreciation of real estate for investments	8,425	100.0	8,950	106.2
Other investment expenses	15,827	117.7	48,275	305.0
Total	112,344	82.0	588,650	524.0

3 Interest, Dividends, and Other Income (General Account)

Millions of Yen

Classification	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Interest on deposits	787	9,883
Interest and dividends on securities	593,228	673,754
Interest on domestic bonds	220,193	223,774
Domestic stock dividends	62,013	67,588
Interest and dividends on foreign securities	297,662	367,472
Interest on loans	24,105	27,127
Interest on industrial and consumer loans	14,410	18,113
Rent revenue from real estate	32,111	32,485
Total including other income	667,365	761,129

4 Analysis of Interest, Dividends, and Other Income (General Account)

Millions of Yen

Fiscal Year ended March 31, 2023	Increase (decrease) in balance	Increase (decrease) in interests	Total increase (decrease)
Interest, dividends, and other income	12,091	81,672	93,763
Cash, deposits and call loans	1,471	8,823	10,294
Securities	5,441	75,084	80,525
Loans	(126)	3,148	3,022
Real estate	838	(465)	373

5 Gains on Sales of Securities (General Account)

Millions of Yen

Classification	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Domestic bonds including national government bonds	23,057	9,971
Domestic stocks and others	21,326	142,723
Foreign securities	22,634	206,023
Total including other gains on sales of securities	67,019	358,718

6 Gains on Disposal of Fixed Assets (General Account)

Millions of Yen

Classification	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Tangible fixed assets	2,344	1,399
Land	48	356
Buildings	2,296	1,033
Lease assets	—	—
Other assets	—	9
Intangible fixed assets	—	46
Others	—	—
Total	2,344	1,445
Real estate for investments	2,270	931

7 Losses on Sales of Securities (General Account)

Millions of Yen

Classification	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Domestic bonds including national government bonds	23,374	15,206
Domestic stocks and others	3,780	5,896
Foreign securities	40,896	323,894
Total including other losses on sales of securities	68,051	344,998

8 Losses on Valuation of Securities (General Account)

Millions of Yen

Classification	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Domestic stocks and others	9,633	2,625
Foreign securities	—	65
Total including other losses on valuations of securities	9,633	2,690

9 Write-off of Loans (General Account)

No loans have been written off in the fiscal year ended March 31, 2022 and 2023.

10 Depreciation of Real Estate for Investments (General Account)

(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%

(Fiscal year ended March 31, 2023)

Millions of Yen

Classification	Acquisition cost	Depreciation in the fiscal year	Accumulated depreciation	Ending balance	Accumulated depreciation percentage
Tangible fixed assets	392,394	8,807	266,108	126,286	67.8%
Buildings	391,366	8,763	265,249	126,117	67.7%
Other tangible fixed assets	1,028	44	858	169	83.5%
Intangible fixed assets	13	0	6	7	46.8%
Others	1,774	142	960	814	54.1%
Total	394,183	8,950	267,075	127,107	67.7%

11 Losses on Disposal of Fixed Assets (General Account)

Millions of Yen

Classification	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Tangible fixed assets	2,713	668
Land	2,607	12
Buildings	59	498
Lease assets	5	2
Other assets	40	153
Intangible fixed assets	3	23
Others	15	11
Total	2,731	703
Real estate for investments	2,314	485

◆ Others

1 Depreciation

(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%

(Fiscal year ended March 31, 2023)

Millions of Yen

Classification	Acquisition cost	Depreciation in the fiscal year	Accumulated depreciation	Ending balance	Accumulated depreciation percentage
Tangible fixed assets	252,145	6,997	174,215	77,929	69.0%
Buildings	222,350	4,300	150,698	71,651	67.7%
Lease assets	8,354	1,450	6,627	1,727	79.3%
Other tangible fixed assets	21,440	1,247	16,890	4,550	78.7%
Intangible fixed assets	170,320	11,910	133,827	36,492	78.5%
Others	20,523	24	20,361	161	99.2%
Total	442,989	18,932	328,405	114,584	74.1%

2 Operating Expenses

Millions of Yen

Classification	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Marketing operations	109,747	113,176
Marketing administration	60,391	60,283
General and administrative expenses	160,891	162,954
Total	331,030	336,414

(Note) Of contributions to the Life Insurance Policyholders Protection Corporation of Japan included in general and administrative expenses, protection fund contributions were ¥2,377 million and nil in the fiscal years ended March 31, 2022 and 2023, respectively.

3 Tax Expenses

Millions of Yen

Classification	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
National tax	16,029	16,629
Consumption tax	14,387	14,908
Special corporate enterprise tax	1,459	1,533
Documentary stamp tax	180	177
Registration and license tax	1	10
Other national tax	0	0
Local tax	11,194	11,624
Local consumption tax	4,045	4,204
Corporate enterprise tax	5,024	5,263
Fixed asset tax	1,682	1,718
Real-estate acquisition tax	—	—
Corporate income tax	442	436
Other local tax	0	0
Total	27,224	28,253

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, 2022 and 2023.

b. Future minimum lease payments balance as of the end of the fiscal year

Omitted as there are no ending balances for March 31, 2022 and 2023.

c. Lease fees paid, depreciation and interest expenses

Omitted as there are no ending balances for March 31, 2022 and 2023.

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, 2022		As of March 31, 2023	
			Policies	Amount	Policies	Amount
Death protection	Death protection due to illness/accident	Individual life insurance	7,874	53,756,360	7,842	50,733,700
		Individual annuities	—	—	—	—
		Group insurance	22,222	33,297,735	22,003	33,367,202
		Group annuities	—	—	—	—
		Total including other types	30,101	87,080,770	29,855	84,182,468
	Death protection due to accident	Individual life insurance	[6,581]	[14,584,027]	[6,362]	[14,062,299]
		Individual annuities	[27]	[120,008]	[25]	[109,874]
		Group insurance	[2,363]	[802,909]	[2,322]	[848,513]
		Group annuities	[—]	[—]	[—]	[—]
		Total including other types	[8,976]	[15,586,968]	[8,718]	[15,167,308]
	Death protection due to specific causes	Individual life insurance	[0]	[1]	[0]	[0]
		Individual annuities	[—]	[—]	[—]	[—]
		Group insurance	[62]	[29,057]	[61]	[27,350]
		Group annuities	[—]	[—]	[—]	[—]
		Total including other types	[66]	[55,732]	[70]	[108,915]
Pure endowment	Maturity and survival benefits	Individual life insurance	194	347,891	183	324,734
		Individual annuities	2,625	13,168,703	2,592	12,925,497
		Group insurance	0	81	0	105
		Group annuities	—	—	—	—
		Total including other types	2,825	13,531,700	2,781	13,264,220
	Annuity	Individual life insurance	[—]	[—]	[—]	[—]
		Individual annuities	[3,146]	[1,831,027]	[3,109]	[1,797,360]
		Group insurance	[5]	[366]	[5]	[343]
		Group annuities	[—]	[—]	[—]	[—]
		Total including other types	[3,162]	[1,834,739]	[3,124]	[1,800,843]
	Others	Individual life insurance	—	—	—	—
		Individual annuities	521	1,584,469	516	1,578,527
		Group insurance	5	2,308	5	2,182
		Group annuities	6,432	2,716,382	6,390	2,699,982
		Total including other types	7,017	4,479,484	6,966	4,451,048
Hospitalization coverage	Coverage for hospitalization due to accident	Individual life insurance	[4,495]	[26,581]	[4,412]	[25,857]
		Individual annuities	[77]	[368]	[70]	[336]
		Group insurance	[1,242]	[1,122]	[1,215]	[1,100]
		Group annuities	[—]	[—]	[—]	[—]
		Total including other types	[6,093]	[28,179]	[5,907]	[27,362]
	Coverage for hospitalization due to illness	Individual life insurance	[4,492]	[26,496]	[4,411]	[25,784]
		Individual annuities	[76]	[361]	[69]	[329]
		Group insurance	[14]	[63]	[14]	[63]
		Group annuities	[—]	[—]	[—]	[—]
		Total including other types	[4,861]	[27,028]	[4,703]	[26,245]
	Coverage for hospitalization due to other causes	Individual life insurance	[7,599]	[247,212]	[7,353]	[271,206]
		Individual annuities	[30]	[252]	[28]	[234]
		Group insurance	[65]	[68]	[64]	[69]
		Group annuities	[—]	[—]	[—]	[—]
		Total including other types	[7,938]	[247,570]	[7,622]	[271,512]

(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 resources 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, 2022	As of March 31, 2023
Disability coverage	Individual life insurance	5,646,494	5,484,843
	Individual annuities	24,473	22,685
	Group insurance	2,125,378	2,070,774
	Group annuities	—	—
	Total including other types	7,796,345	7,578,302
Surgical coverage	Individual life insurance	5,274,378	5,100,769
	Individual annuities	95,060	86,774
	Group insurance	—	—
	Group annuities	—	—
	Total including other types	5,495,050	5,246,189

2 Annualized Premiums

a. Policies in force

Millions of Yen, %

Classification	As of March 31, 2022		As of March 31, 2023	
		Rate of increase (decrease)		Rate of increase (decrease)
Individual life insurance	1,485,604	(0.6)	1,483,082	(0.2)
Individual annuities	783,776	(1.1)	776,597	(0.9)
Total	2,269,380	(0.8)	2,259,679	(0.4)
Living benefits, medical coverage, and others	558,528	0.6	561,112	0.5

b. New policies (new policies acquired plus net increase by conversion)

Millions of Yen, %

Classification	Fiscal year ended March 31, 2022		Fiscal year ended March 31, 2023	
		Rate of increase (decrease)		Rate of increase (decrease)
Individual life insurance	76,141	16.9	86,126	13.1
Individual annuities	24,649	(17.4)	23,316	(5.4)
Total	100,791	6.1	109,443	8.6
Living benefits, medical coverage, and others	35,311	31.6	32,789	(7.1)

(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, 2022				As of March 31, 2023			
	Policies	Rate of increase (decrease)	Amount	Rate of increase (decrease)	Policies	Rate of increase (decrease)	Amount	Rate of increase (decrease)
Individual life insurance	8,069	(1.3)	54,104,252	(6.8)	8,026	(0.5)	51,058,435	(5.6)
Individual annuities	3,146	(1.2)	14,753,173	(1.2)	3,109	(1.2)	14,504,025	(1.7)
Group insurance	—	—	33,300,124	0.6	—	—	33,369,489	0.2
Group annuities	—	—	2,716,382	1.9	—	—	2,699,982	(0.6)

(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 ¥292,176 million and ¥338,975 million as of March 31, 2022 and 2023, respectively.

b. New policies (new policies acquired plus net increase by conversion)

Thousand policies, Millions of Yen, %

Classification	Fiscal year ended March 31, 2022						Fiscal year ended March 31, 2023					
	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	681	42.0	478,515	(20.3)	1,329,574	(851,058)	671	(1.6)	931,650	94.7	1,515,129	(583,479)
Individual annuities	94	(3.2)	399,363	(11.8)	401,979	(2,615)	91	(3.8)	360,073	(9.8)	363,136	(3,063)
Group insurance	—	—	86,955	29.1	86,955	—	—	—	81,427	(6.4)	81,427	—
Group annuities	—	—	50	155.1	50	—	—	—	52	3.8	52	—

(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 ¥60,460 million and ¥54,390 million in the fiscal years ended March 31, 2022 and 2023, respectively.

4 Trends and Transitions of Policies in Force

Thousand policies, Millions of Yen

Classification			As of March 31, 2022			As of March 31, 2023		
			Policies	Insurance amount	Annualized premiums	Policies	Insurance amount	Annualized premiums
Individual life insurance	Mortality insurance	Whole life insurance	1,728	9,725,744	416,687	1,725	9,689,433	419,796
		Whole life insurance substandard disclosure	139	121,237	21,924	137	119,568	21,374
		Whole life insurance covering nursing care	97	444,145	11,621	99	449,410	11,817
		Whole life insurance with variable assumed interest rate	139	862,171	68,663	131	809,900	64,079
		Whole life insurance denominated in designated currency	89	716,040	53,694	128	1,067,258	70,282
		Total whole life insurance including other types	2,245	12,093,786	579,075	2,273	12,358,681	594,041
		Whole life insurance with term rider	1,148	8,797,117	120,149	1,064	7,318,167	102,783
		Whole life insurance with variable accumulation rate	2,408	23,312,224	492,486	2,384	21,721,199	490,806
		Term life insurance	56	1,537,401	29,942	54	1,477,997	28,906
		Total term life insurance including other types	100	1,684,013	32,523	97	1,617,276	31,408
		Riders combination insurance	596	5,568,905	86,230	661	5,672,418	92,588
		Medical whole life insurance	568	123,255	77,864	583	123,047	79,916
		Medical term life insurance	451	253,731	26,356	460	255,070	27,256
		Total including other types	7,583	52,454,237	1,418,612	7,586	49,623,740	1,422,401
	Life and mortality insurance	Endowment insurance	149	614,459	24,753	128	513,865	21,668
		Endowment insurance with term rider	15	165,768	1,826	11	121,285	1,390
		Term life insurance with survival benefits	121	409,601	16,645	113	379,719	15,597
		Juvenile insurance	194	423,871	22,901	181	388,002	21,252
		Total including other types	480	1,621,281	66,129	435	1,409,970	59,910
	Pure endowment		4	28,733	862	4	24,724	770
	Subtotal (1)		8,069	54,104,252	1,485,604	8,026	51,058,435	1,483,082
Individual annuities	Individual fixed annuities	Individual annuities	508	2,608,095	179,610	479	2,446,515	173,616
		Annuities focused on survival coverage	2,470	11,563,564	516,404	2,456	11,430,871	518,821
		Individual annuities denominated in designated currency	27	167,749	18,847	35	209,360	23,008
		Individual annuities denominated in designated currency with variable assumed interest rate	24	91,395	4,590	37	135,113	6,773
		Total including other types	3,065	14,580,109	743,089	3,042	14,370,177	745,132
	Individual variable annuities		81	173,064	40,687	66	133,848	31,464
	Subtotal (2)		3,146	14,753,173	783,776	3,109	14,504,025	776,597
(1) + (2) Total			11,215	68,857,426	2,269,380	11,135	65,562,461	2,259,679

Thousand policies, Millions of Yen

Classification		As of March 31, 2022		As of March 31, 2023	
		Policies	Amount	Policies	Amount
Group insurance	Group term life insurance	8,144	5,176,074	8,112	5,119,731
	General welfare group term life insurance	3,804	9,743,289	3,759	9,754,900
	Group credit life insurance	9,973	18,347,861	9,797	18,462,935
	Consumer credit group insurance	36	5,514	35	4,941
	Group whole life insurance	0	35	0	34
	Life insurance for sustainers of disabled	38	24,960	37	24,658
	Group insurance for three major diseases	263	292,176	299	338,975
	Annuities rider	5	2,389	5	2,287
	Subtotal	22,228	33,300,124	22,009	33,369,489
Group annuities	Corporate pension plans	0	267	0	272
	New corporate pension plans	4,134	76,913	4,141	77,203
	Insured contributory pension plans	2,296	785,648	2,248	784,068
	Employees' pension fund insurance	0	106	0	107
	Defined benefit corporate pension plans	—	1,736,266	—	1,717,661
	Defined contribution pension plans	—	117,181	—	120,669
	Subtotal	6,432	2,716,382	6,390	2,699,982
Workers' asset formation insurance		47	158,692	44	153,841
Workers' asset formation annuities		16	32,654	15	30,396
Medical life insurance		152	71	149	67
Assumed reinsurance		129	26,709	67	81,565

Thousand policies, Millions of Yen

Classification		As of March 31, 2022		As of March 31, 2023	
		Policies	Amount	Policies	Amount
Hospitalization/ accident riders	Accident rider with extra premium	1,234	5,171,026	1,187	4,868,033
	Accident coverage rider	1	2,686	0	1,465
	Personal accident rider	2,549	8,782,557	2,428	8,307,659
	Accident injury rider	3,104	161,095	3,067	159,283
	General medical rider	2,610	16,303	2,598	16,038
	Hospitalization due to accident rider	803	4,710	708	4,148
	Hospitalization due to illness rider	918	5,138	821	4,577
	Hospitalization due to adult disease rider	1,430	6,499	1,334	6,032
	Hospitalization due to other causes rider	6,184	240,871	6,036	265,342
	Advanced medical treatment rider	3,469	—	3,453	—
	Cancer diagnosis rider	2,064	1,256,748	2,140	1,306,787
	Cancer medication rider	2,153	131,176	2,229	134,558

(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, 2022			Fiscal year ended March 31, 2023		
			Policies	Insurance amount	Annualized premiums	Policies	Insurance amount	Annualized premiums
Individual life insurance	Mortality insurance	Whole life insurance	71	289,465	29,456	68	311,810	27,429
		Whole life insurance substandard disclosure	10	10,002	1,513	9	9,461	1,471
		Whole life insurance covering nursing care	6	20,547	581	6	21,255	606
		Whole life insurance denominated in designated currency	11	77,810	6,715	51	286,528	20,110
		Total whole life insurance including other types	99	398,027	38,277	136	629,263	49,628
		Whole life insurance with variable accumulation rate	307	3,035,195	61,050	250	2,343,561	48,652
		Term life insurance	1	51,532	1,280	1	52,148	1,242
		Total term life insurance including other types	4	55,741	1,405	4	55,691	1,353
		Riders combination insurance	149	1,460,862	21,597	151	1,139,600	18,264
		Medical whole life insurance	46	10,505	6,957	46	9,969	6,778
		Medical term life insurance	56	34,912	3,726	65	39,197	4,176
		Total including other types	664	4,995,287	133,015	654	4,217,319	128,853
	Life and mortality insurance	Endowment insurance	6	22,877	1,401	6	23,557	1,449
		Term life insurance with survival benefits	5	18,715	777	5	16,875	715
		Juvenile insurance	5	8,732	620	4	7,830	559
		Total including other types	17	50,324	2,800	16	48,263	2,725
	Pure endowment		—	—	—	—	—	—
	Subtotal (1)		681	5,045,612	135,815	671	4,265,583	131,578
Individual annuities	Individual fixed annuities	Annuities focused on survival coverage	80	341,686	19,739	61	236,383	11,952
		Individual annuities denominated in designated currency	6	32,241	3,535	15	76,889	8,901
		Individual annuities denominated in designated currency with variable assumed interest rate	7	28,050	1,449	14	49,863	2,548
		Total including other types	94	401,979	24,724	91	363,136	23,402
	Individual variable annuities		—	—	—	—	—	—
	Subtotal (2)		94	401,979	24,724	91	363,136	23,402
(1) + (2) Total			776	5,447,591	160,540	762	4,628,719	154,981

Thousand policies, Millions of Yen

Classification		Fiscal year ended March 31, 2022		Fiscal year ended March 31, 2023	
		Policies	Amount	Policies	Amount
Group insurance	Group term life insurance	2	1,203	13	32,102
	General welfare group term life insurance	34	85,751	15	49,325
	Group credit life insurance	—	—	—	—
	Group insurance for three major diseases	42	60,460	41	54,390
	Subtotal	78	86,955	70	81,427
Group annuities	Insured contributory pension plans	1	0	0	0
	Defined benefit corporate pension plans	—	44	—	45
	Defined contribution pension plans	—	6	—	6
	Subtotal	1	50	0	52
Workers' asset formation insurance		0	45	0	39
Workers' asset formation annuities		0	7	0	6
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.
a. Individual annuities show annuity resources at the start of annuity payments.
b. Group annuities and workers' asset formation insurance show the first time premium revenues.
c. 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.
d. 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, 2022	As of March 31, 2023
	Amount	Amount
Individual variable insurance	61,578	58,299
Individual variable annuities	58,618	43,759
Group annuities	708,345	688,460
Total of separate accounts	828,542	790,519

2 Status of the separate accounts of individual variable insurance and individual variable annuities

a. Overview of investment of fiscal 2022

Stock markets at home and abroad fell in the first half of the fiscal year due to concerns about economic deterioration caused by aggressive monetary tightening by central banks in various countries against a backdrop of high inflation. In the second half of the fiscal year, the market rose against the backdrop of rising expectations of a slowdown in the pace of interest rate hikes by the Federal Reserve Board (FRB) following the peaking out of inflation in the United States. In the first half of the fiscal year, domestic long-term interest rates remained near the upper limit of the Bank of Japan's allowable range of fluctuation as central banks in various countries continued to tighten monetary policy. In the latter half of the fiscal year, there was a phase of substantial increases due to the Bank of Japan's expansion of the allowable range of fluctuation, but toward the end of the fiscal year, the increase was reduced against the backdrop of declining U.S. interest rates. Long-term interest rates in the U.S. rose sharply in the first half of the fiscal year due to the continued aggressive monetary tightening stance of the FRB. However, in the second half of the fiscal year, they moved back and forth against the backdrop of expectations of a slowdown in the pace of FRB rate hikes and concerns about economic deterioration. In the first half of the fiscal year, the yen depreciated against the U.S. dollar due to the FRB's aggressive monetary tightening while the Bank of Japan continued its monetary easing policy and the gap between domestic and foreign interest rates widened. In the second half of the fiscal year, the yen appreciated against the U.S. dollar against the backdrop of expectations of a slowdown in the pace of FRB rate hikes and speculation about the Bank of Japan's policy revisions.

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 invested in incorporated investment trusts.

b. Policies in force

●Individual variable insurance

Number of policies, Millions of Yen

Classification	As of March 31, 2022		As of March 31, 2023	
	Policies	Amount	Policies	Amount
Individual variable insurance (Defined term type)	13	65	7	30
Individual variable insurance (Whole life type)	46,367	241,358	44,702	233,611
Total	46,380	241,424	44,709	233,641

(Note) Policies in force include term life insurance riders.

●Individual variable annuities

Number of policies, Millions of Yen

Classification	As of March 31, 2022		As of March 31, 2023	
	Policies	Amount	Policies	Amount
Individual variable annuities	81,277	173,064	66,094	133,848

c. Breakdown of assets held in separate accounts

●Individual variable insurance

Millions of Yen, %

Classification	As of March 31, 2022		As of March 31, 2023	
	Amount	Composition ratio	Amount	Composition ratio
Cash, deposits and call loans	387	0.6	826	1.4
Securities	59,314	96.3	55,474	95.2
Domestic bonds	17,098	27.8	15,351	26.3
Domestic stocks	17,935	29.1	17,434	29.9
Foreign securities	24,281	39.4	22,689	38.9
Foreign bonds	5,653	9.2	5,994	10.3
Other foreign securities	18,627	30.3	16,694	28.6
Other securities	—	—	—	—
Loans	—	—	—	—
Others	1,876	3.0	1,998	3.4
Allowance for possible loan losses	—	—	—	—
Total	61,578	100.0	58,299	100.0

●Individual variable annuities

Millions of Yen, %

Classification	As of March 31, 2022		As of March 31, 2023	
	Amount	Composition ratio	Amount	Composition ratio
Cash, deposits and call loans	4,612	7.9	4,173	9.5
Securities	48,847	83.3	36,711	83.9
Domestic bonds	18,685	31.9	12,585	28.8
Domestic stocks	5,784	9.9	3,877	8.9
Foreign securities	20,121	34.3	16,595	37.9
Foreign bonds	18,360	31.3	15,487	35.4
Other foreign securities	1,761	3.0	1,108	2.5
Other securities	4,255	7.3	3,652	8.3
Loans	—	—	—	—
Others	5,158	8.8	2,874	6.6
Allowance for possible loan losses	—	—	—	—
Total	58,618	100.0	43,759	100.0

d. Investment income and expenses

●Individual variable insurance

Millions of Yen

Classification	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
	Amount	Amount
Interest, dividends, and other income	1,005	1,076
Gains on sales of securities	2,981	2,988
Gains on redemption of securities	—	—
Gains on valuation of securities	14,440	12,355
Foreign exchange gains	19	34
Gains on derivative financial instruments	42	59
Other investment income	2	2
Losses on sales of securities	665	1,247
Losses on redemption of securities	34	17
Losses on valuation of securities	13,314	14,573
Foreign exchange losses	12	21
Losses on derivative financial instruments	28	14
Other investment expenses	0	0
Net investment income	4,437	641

(Note)¥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.
¥12,355 million gains on valuation of securities for the fiscal year ended March 31, 2023 include ¥1,358 million reversal for gains on valuation of securities, while ¥14,573 million losses on valuation of securities include ¥13,397 million reversal for losses on valuation of securities.

●Individual variable annuities

Millions of Yen

Classification	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
	Amount	Amount
Interest, dividends, and other income	928	680
Gains on sales of securities	2,972	1,882
Gains on redemption of securities	—	—
Gains on valuation of securities	5,831	3,619
Foreign exchange gains, net	7	20
Gains on derivative financial instruments, net	168	211
Other investment income	5	1
Losses on sales of securities	413	818
Losses on redemption of securities	16	12
Losses on valuation of securities	8,186	5,713
Foreign exchange losses	6	14
Losses on derivative financial instruments	156	146
Other investment expenses	348	446
Net investment income	784	(736)

(Note) ¥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.
¥3,619 million gains on valuation of securities for the fiscal year ended March 31, 2023 include ¥866 million reversal for gains on valuation of securities, while ¥5,713 million losses on valuation of securities include ¥5,045 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, 2022		As of March 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
Trading securities	59,314	12,039	55,474	9,821

<Individual variable annuities>

Millions of Yen

Classification	As of March 31, 2022		As of March 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
Trading securities	48,847	4,178	36,711	2,084

●Fair value information of money held in trusts for trading

<Individual variable insurance>

Omitted as there are no ending balances for March 31, 2022 and 2023.

<Individual variable annuities>

Omitted as there are no ending balances for March 31, 2022 and 2023.

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, 2022						As of March 31, 2023					
	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	—	1	(0)	—	—	0	—	(0)	—	—	—	(0)
Total	—	1	(0)	—	—	0	—	(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, 2022						As of March 31, 2023					
	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	—	0	107	—	—	107	—	0	7	—	—	7
Total	—	0	107	—	—	107	—	0	7	—	—	7

(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, 2022 and 2023.

<Individual variable annuities>

Omitted as there are no ending balances for March 31, 2022 and 2023.

●Currency-related

<Individual variable insurance>

Millions of Yen

Classification	Type	As of March 31, 2022				As of March 31, 2023			
		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	611	—	1	1	142	—	(2)	(2)
	(U.S. dollar)	300	—	2	2	—	—	—	—
	(Euro)	256	—	(1)	(1)	142	—	(2)	(2)
	(Australian dollar)	10	—	0	0	—	—	—	—
	(Canadian dollar)	9	—	0	0	—	—	—	—
	(British pound)	27	—	0	0	—	—	—	—
	(Norwegian krone)	2	—	(0)	(0)	—	—	—	—
	(Polish zloty)	2	—	(0)	(0)	—	—	—	—
	Bought	113	—	0	0	142	—	2	2
	(U.S. dollar)	51	—	0	0	—	—	—	—
	(Euro)	61	—	0	0	142	—	2	2
Total					1				(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.

<Individual variable annuities>

Millions of Yen

Classification	Type	As of March 31, 2022				As of March 31, 2023			
		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	108	—	(0)	(0)	64	—	(1)	(1)
	(U.S. dollar)	34	—	(0)	(0)	—	—	—	—
	(Euro)	73	—	(0)	(0)	64	—	(1)	(1)
	Bought	108	—	0	0	64	—	1	1
	(U.S. dollar)	35	—	0	0	—	—	—	—
	(Euro)	72	—	0	0	64	—	1	1
Total					0				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, 2022				As of March 31, 2023			
		Notional amount/ contract value		Fair value	Net gains (losses)	Notional amount/ contract value		Fair value	Net gains (losses)
			Over 1 year				Over 1 year		
Exchange-traded transactions	**Stock index futures**								
	Sold	294	—	(0)	(0)	—	—	—	—
	Bought	—	—	—	—	—	—	—	—
Total					(0)				—

<Individual variable annuities>

Millions of Yen

Classification	Type	As of March 31, 2022				As of March 31, 2023			
		Notional amount/ contract value		Fair value	Net gains (losses)	Notional amount/ contract value		Fair value	Net gains (losses)
			Over 1 year				Over 1 year		
Exchange-traded transactions	**Stock index futures**								
	Sold	—	—	—	—	—	—	—	—
	Bought	876	—	107	107	449	—	7	7
Total					107				7

●Bond-related

<Individual variable insurance>

Omitted as there are no ending balances for March 31, 2022 and 2023.

<Individual variable annuities>

Omitted as there are no ending balances for March 31, 2022 and 2023.

●Others

<Individual variable insurance>

Omitted as there are no ending balances for March 31, 2022 and 2023.

<Individual variable annuities>

Omitted as there are no ending balances for March 31, 2022 and 2023.

3 Separate Account for Group Annuities

a. Entrusted fund in separate account for group annuities

Number of policies, Billion of Yen

	As of March 31, 2022		As of March 31, 2023	
	Cases	Fair value balance	Cases	Fair value balance
First treaty	1,454	702.1	1,445	680.8
Total	1,454	702.1	1,445	680.8

(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, 2022	As of March 31, 2023
Comprehensive account A	135.9	131.9
Comprehensive account M	145.4	175.0
Comprehensive account S	145.0	113.0
Yen-denominated bonds account A	91.7	83.9
Yen-denominated bonds account P	31.7	28.6
Yen-denominated stocks account A	3.5	6.5
Yen-denominated stocks account B	9.6	9.9
Yen-denominated stocks account E	1.5	1.6
Yen-denominated stocks account P	47.8	48.3
Yen-denominated stocks account V	2.6	1.2
Foreign currency denominated bonds account A	12.6	17.0
Foreign currency denominated bonds account B	9.4	8.3
Foreign currency denominated stocks account A	55.3	48.8
Foreign currency denominated stocks account D	1.2	—
Short-term funds account A	8.0	6.3
Total	702.1	680.8

(Note) 1. Foreign currency denominated stocks account D ceased operation on March 23, 2023.

c. Investment return ratio of separate account first treaty

%

	As of March 31, 2022	As of March 31, 2023
Comprehensive account A	7.12	2.20
Comprehensive account M	2.64	(2.77)
Comprehensive account S	(1.40)	(5.03)
Yen-denominated bonds account A	(0.96)	(1.52)
Yen-denominated bonds account P	(1.20)	(1.61)
Yen-denominated stocks account A	2.16	5.84
Yen-denominated stocks account B	(7.46)	9.91
Yen-denominated stocks account E	(2.97)	3.74
Yen-denominated stocks account P	1.95	5.77
Yen-denominated stocks account V	5.75	9.41
Foreign currency denominated bonds account A	1.91	(0.28)
Foreign currency denominated bonds account B	(5.21)	(10.57)
Foreign currency denominated stocks account A	24.02	2.03
Foreign currency denominated stocks account D	(11.41)	1.74
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 foreign currency denominated stocks account D for FY2022 is the rate of increase in unit prices as of March 22, 2023.

◆ Business Indicators

1 Average Policy Coverage (Individual Life Insurance)

Thousands of Yen

Classification	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Average policy coverage for new policies	3,952	3,797
Average policy coverage for policies in force	6,704	6,361

(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, 2022	Fiscal year ended March 31, 2023
Individual life insurance	2.3	2.8
Individual annuities	2.7	2.5
Group insurance	0.3	0.2

(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, 2022	Fiscal year ended March 31, 2023
Individual life insurance	3.8	3.8
Individual annuities	1.8	2.0
Group insurance	0.5	0.1

4 Average Annual Premium of New Individual Life Insurance Policy (With Monthly Payments)

Yen

Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
122,777	112,715

(Note) Converted policies are excluded.

5 Mortality Rate (Primary Individual Life Insurance Policies)

a. Number of policies

‰

Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
9.46	10.71

b. Insurance amount

‰

Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
7.06	8.24

6 Incidence of Events Covered by Riders (Individual Life Insurance plus Individual Annuities)

‰

Classification		Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Accidental death	Ratio of the number of policies	0.24	0.29
	Ratio of the amount of claims on policies	0.28	0.34
Disability	Ratio of the number of policies	0.30	0.34
	Ratio of the amount of claims on policies	0.10	0.12
Hospitalization due to accident	Ratio of the number of policies	6.93	7.37
	Ratio of the amount of claims on policies	163	173
Hospitalization due to illness	Ratio of the number of policies	101.38	223.70
	Ratio of the amount of claims on policies	1,378	2,519
Hospitalization due to adult disease	Ratio of the number of policies	26.95	27.36
	Ratio of the amount of claims on policies	518	517
Surgery due to illness or injury	Ratio of the number of policies	84.91	92.01
Surgery due to adult disease	Ratio of the number of policies	32.34	33.96

7 Percentage of Operating Expense (Operating Expenses as a Percentage of Premium Revenues)

%

Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
15.5	15.2

8 The Number of Major Insurance Companies that Accepted Reinsurance Agreements

Number of insurance companies

Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
8 [2]	8 [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, 2022	Fiscal year ended March 31, 2023
99.6 [100.0]	99.6 [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, 2022	Fiscal year ended March 31, 2023
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, 2022	Fiscal year ended March 31, 2023
47 [8]	53 [5]

(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, 2022	Fiscal year ended March 31, 2023
Third-sector incidence rate		38.2	49.9
	Medical care	40.6	60.6
	Cancer	39.1	39.1
	Nursing care	30.9	34.3
	Others	37.5	39.0

(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, 2022	April 9	1.00	Fiscal year ended March 31, 2023	April 8	1.10
	May 11	1.00		May 10	1.10
	June 10	1.00		June 10	1.20
	July 9	1.00		July 8	1.20
	August 11	1.00		August 10	1.20
	September 10	1.00		September 9	1.25
	October 8	1.00		October 12	1.25
	November 10	1.00		November 10	1.25
	December 10	1.00		December 9	1.25
	January 12	1.00		January 11	1.40
	February 10	1.10		February 10	1.50
	March 10	1.10		March 10	1.45

Empowering your future

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