
Financial Results for the Three Months Ended June 30, 2022

Sumitomo Life Insurance Company announces financial results for the three months ended June 30, 2022.

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[Note]

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

1. Unaudited Consolidated Financial Statements

a. Unaudited Consolidated Balance Sheets

(Millions of Yen)

	As of March 31, 2022	As of June 30, 2022
ASSETS:		
Cash and deposits	1,107,622	1,495,924
Call loans	260,597	363,270
Monetary claims bought	310,140	376,546
Money held in trust	4,914	6,868
Securities	35,833,252	36,074,874
Loans	3,023,520	3,116,312
Tangible fixed assets	567,165	564,532
Intangible fixed assets	201,871	226,822
Due from agents	239	253
Reinsurance receivables	1,728	3,058
Other assets	1,375,566	1,464,257
Net defined benefit assets	21,677	22,028
Deferred tax assets	290,037	525,797
Allowance for possible loan losses	(4,047)	(4,250)
Total assets	42,994,287	44,236,299
LIABILITIES:		
Policy reserves and other reserves	33,714,825	34,355,929
Reserve for outstanding claims	156,079	160,241
Policy reserves	33,342,519	33,941,725
Policyholders' dividend reserves	216,226	253,962
Reinsurance payables	20,523	14,534
Corporate bonds	508,257	510,011
Other liabilities	6,124,590	7,372,109
Net defined benefit liabilities	2,884	3,633
Reserve for price fluctuation	972,169	1,026,078
Deferred tax liabilities	13,172	9
Deferred tax liabilities for land revaluation	12,583	12,560
Total liabilities	41,369,007	43,294,867
NET ASSETS:		
Reserve for redemption of foundation funds	639,000	639,000
Reserve for revaluation	2	2
Surplus	73,458	42,264
Total funds, reserve and surplus	712,461	681,267
Net unrealized gains (losses) on available-for-sale securities	1,015,426	342,414
Deferred gains (losses) on derivatives under hedge accounting	(3,001)	(11,292)
Land revaluation differences	(59,581)	(59,641)
Foreign currency translation adjustments	(39,098)	(10,037)
Remeasurements of defined benefit plans	(1,067)	(1,419)
Total accumulated other comprehensive income	912,676	260,022
Non-controlling interests	141	141
Total net assets	1,625,279	941,431
Total liabilities and net assets	42,994,287	44,236,299

b. Unaudited Consolidated Statements of Income

(Millions of Yen)

	Three months ended June 30, 2021	Three months ended June 30, 2022
Ordinary income	906,315	1,109,401
Insurance premiums and other	597,258	644,183
Investment income	279,602	435,587
Interest, dividends and other income	182,101	215,258
Gains on money held in trust	0	677
Gains on sales of securities	16,386	69,144
Investment gains on separate accounts	16,676	-
Other ordinary income	29,454	29,630
Ordinary expenses	878,614	1,025,363
Benefits and other payments	468,896	546,202
Claims paid	144,170	147,496
Annuity payments	110,196	108,030
Benefits payments	97,576	128,450
Surrender benefits	101,826	146,526
Provision for policy reserves and other reserves	185,608	233,460
Provision for reserve for outstanding claims	-	735
Provision for policy reserves	185,601	232,718
Provision for interest on policyholders' dividend reserves	6	6
Investment expenses	71,326	85,638
Interest expenses	3,521	4,376
Losses on trading securities	9,549	20,716
Losses on sales of securities	4,941	19,356
Losses on valuation of securities	5,249	2,605
Investment losses on separate accounts	-	22,650
Operating expenses	112,197	119,853
Other ordinary expenses	40,585	40,209
Ordinary profit	27,700	84,037
Extraordinary gains	2,054	-
Gains on disposals of fixed assets	2,054	-
Extraordinary losses	5,269	55,050
Losses on disposals of fixed assets	2,015	53
Impairment losses	182	1,040
Provision for reserve for price fluctuation	3,027	53,908
Payments to social responsibility reserve	43	46
Surplus (loss) before income taxes	24,485	28,987
Income taxes		
Current	15,405	3,975
Deferred	(13,324)	(2,045)
Total income taxes	2,080	1,930
Net surplus (loss)	22,405	27,056
Net surplus attributable to non-controlling interests	1	1
Net surplus (loss) attributable to the Parent Company	22,403	27,055

c. Unaudited Consolidated Statements of Comprehensive Income

(Millions of Yen)

	Three months ended June 30, 2021	Three months ended June 30, 2022
Net surplus (loss)	22,405	27,056
Other comprehensive income (loss)	2,584	(652,594)
Net unrealized gains (losses) on available-for-sale securities	(22,327)	(672,735)
Deferred gains (losses) on derivatives under hedge accounting	(1,494)	(8,291)
Foreign currency translation adjustments	22,715	23,771
Remeasurements of defined benefit plans	(833)	(352)
Share of other comprehensive income (loss) of associates under the equity method	4,524	5,013
Comprehensive income (loss)	24,989	(625,537)
Comprehensive income (loss) attributable to the Parent Company	24,988	(625,538)
Comprehensive income (loss) attributable to non-controlling interests	1	1

Notes to the Unaudited Consolidated Financial Statements

Policies of Presenting the Unaudited Consolidated Financial Statements for the Three Months Ended June 30, 2022

1. Consolidated subsidiaries

The number of consolidated subsidiaries was 28 as of June 30, 2022.

Sumisei Asset Management Company was included in the scope of the consolidation as a result of its establishment from the period ended June 30, 2022.

Notes to the Unaudited Consolidated Balance Sheet as of June 30, 2022

1. SUMITOMO LIFE INSURANCE COMPANY ("the Company")'s assets and liabilities denominated in foreign currencies, except for investments in unconsolidated subsidiaries and affiliates, are translated into Japanese yen at the exchange rate on the balance sheet date. Investments in unconsolidated subsidiaries and affiliates are translated into Japanese yen at the exchange rates on the dates of acquisition.
2. The Company has applied "Implementation Guidance on Accounting Standard for Fair Value Measurement" (Application Guidance of Corporate Accounting standards, No.31 (17 June 2021, revised on)) from the beginning of the period ended June 30, 2022. In accordance with transitional treatment stipulated in Item 27-2 of "Implementation Guidance on Accounting Standard for Fair Value Measurement", the Company has applied new accounting policies prospectively since the beginning of the period ended June 30, 2022.
Due to this application, the measurement of fair value of investment trusts was based on "Implementation Guidance on Accounting Standard for Fair Value Measurement".
3. As the proposed appropriations of surplus of the Company for the fiscal year ended March 31, 2022 were approved at the annual meeting of the representatives of policyholders held on July 5, 2022, the consolidated balance sheet as of June 30, 2022 is based on the approval.
4. Securities loaned under security lending agreements amounted to ¥5,299,717 million as of June 30, 2022.

5. Changes in policyholders' dividend reserves for the period ended June 30, 2022 were as follows:

	Millions of Yen
At the beginning of the period	216,226
Transfer from surplus in the previous fiscal year	58,310
Dividend payments to policyholders during the period	20,580
Interest accrued during the period	6
At the end of the period	253,962

6. Other assets and other liabilities included assets and liabilities related to the modified coinsurance in U.S. subsidiary of ¥619,714 million and ¥629,272 million as of June 30, 2022, respectively.
7. The company and some consolidated subsidiaries in Japan, which adopted the Group Tax Sharing System, processed and disclosed corporate tax and local corporate tax, and Tax Effect Accounting, based on "the Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System" (Practical Issues Task Force No.42, August 12, 2021).

Notes to the Unaudited Consolidated Statement of Income for the Three Months Ended June 30, 2022

1. The amount of depreciation of tangible fixed assets, including real estates for investments, was ¥11,284 million and the amount of amortization of goodwill was ¥1,722 million for the period ended June 30, 2022.

2. Solvency Margin Ratio on a Consolidated Basis

(Millions of Yen)

	As of March 31, 2022	As of June 30, 2022
Solvency margin gross amount (A)	4,795,724	4,057,090
Foundation funds and others	495,828	483,799
Reserve for price fluctuation	972,169	1,026,078
Contingency reserve	705,442	759,019
Unusual contingency reserve	-	-
General allowance for possible loan losses	3,604	3,773
(Net unrealized gains (losses) on available-for-sale securities (before income tax effect adjustments) and deferred gains (losses) on derivatives under hedge accounting (before income tax effect adjustments)) × 90% (Multiplied by 100% if losses)	1,248,951	421,362
Net unrealized gains on real estate × 85% (Multiplied by 100% if losses)	118,196	118,183
Total amount of unrecognized actuarial gains (losses) and unrecognized past service costs	(1,482)	(1,972)
Excess of continued Zillmerized reserve	761,616	760,436
Qualifying subordinated debt	600,510	600,510
Excess of continued Zillmerized reserve and qualifying subordinated debt not included in margin calculation	-	-
Deduction clause	(180,420)	(186,124)
Others	71,306	72,023
Total amount of risk $\sqrt{R_1^2 + R_5^2 + R_8 + R_9)^2 + (R_2 + R_3 + R_7)^2 + R_4 + R_6}$ (B)	1,207,009	1,280,275
Insurance risk R ₁	93,867	95,938
General insurance risk R ₅	-	-
Large disaster risk R ₆	0	0
Third-sector insurance risk R ₈	86,858	89,602
Insurance risk of small-amount, short-term insurer R ₉	9	9
Risk of assumed yield R ₂	175,401	175,258
Minimum guarantee risk R ₇ [※]	6,102	6,868
Investment risk R ₃	984,644	1,055,849
Operational risk R ₄	26,937	28,470
Solvency margin ratio $\frac{(A)}{(1/2) \times (B)} \times 100$	794.6%	633.7%

※ The standard method is used for the calculation of the amount equivalent to minimum guarantee risk.

Note: The amounts and figures in the table above are calculated based on Article 130 of the Insurance Business Act, Article 86-2 and Article 88 of the Ordinance for Enforcement of the Insurance Business Act and Financial Services Agency Public Notice No.23 of 2011.

3. Non-Consolidated Financial Information (General Account)

a. Overall Composition of Investments

(Millions of Yen, %)

	As of March 31, 2022		As of June 30, 2022	
	Amount	% of total	Amount	% of total
Cash, deposits and call loans	1,044,510	2.9	1,597,316	4.4
Monetary claims bought	310,140	0.9	376,546	1.0
Money held in trust	4,914	0.0	6,868	0.0
Investments in securities	30,720,996	86.1	30,859,953	84.1
Domestic bonds	14,520,419	40.7	14,417,334	39.3
Domestic stocks	2,459,308	6.9	2,380,011	6.5
Foreign securities	13,218,894	37.1	13,537,547	36.9
Foreign bonds	10,730,565	30.1	10,924,881	29.8
Other foreign securities	2,488,328	7.0	2,612,665	7.1
Other securities	522,373	1.5	525,060	1.4
Loans	2,192,253	6.1	2,227,634	6.1
Policy loans	244,196	0.7	240,793	0.7
Industrial and consumer loans	1,948,057	5.5	1,986,841	5.4
Real estate	556,472	1.6	554,240	1.5
Investment property	392,177	1.1	390,662	1.1
Deferred tax assets	288,586	0.8	498,296	1.4
Other assets	560,974	1.6	563,421	1.5
Allowance for possible loan losses	(925)	(0.0)	(940)	(0.0)
Total	35,677,924	100.0	36,683,336	100.0
Foreign currency denominated assets	12,660,503	35.5	13,125,068	35.8

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

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

(Millions of Yen)

	As of March 31, 2022					As of June 30, 2022				
	Book value	Fair value	Net gains (losses)	Net gains (losses)		Book value	Fair value	Net gains (losses)	Net gains (losses)	
				Gains	Losses				Gains	Losses
Held-to-maturity debt securities	1,569,177	1,812,094	242,917	242,925	(8)	1,559,693	1,822,789	263,095	263,113	(17)
Policy-reserve-matching bonds	12,514,443	13,596,489	1,082,045	1,277,927	(195,882)	12,608,864	13,236,237	627,373	1,107,714	(480,341)
Investments in subsidiaries and affiliated companies	52,238	53,679	1,441	1,441	-	52,238	50,578	(1,660)	-	(1,660)
Available-for-sale securities	15,177,316	16,387,386	1,210,069	1,599,191	(389,121)	16,081,893	16,559,296	477,402	1,511,040	(1,033,637)
Domestic bonds	2,752,734	2,709,967	(42,767)	44,159	(86,927)	2,779,658	2,634,329	(145,328)	53,020	(198,349)
Domestic stocks	1,155,190	2,297,231	1,142,041	1,181,568	(39,527)	1,158,178	2,217,766	1,059,588	1,095,192	(35,603)
Foreign securities	10,149,382	10,231,870	82,488	335,724	(253,236)	10,843,843	10,406,819	(437,024)	331,047	(768,071)
Foreign bonds	8,461,174	8,457,396	(3,777)	181,643	(185,421)	8,915,811	8,539,328	(376,483)	212,731	(589,214)
Other foreign securities	1,688,207	1,774,473	86,266	154,081	(67,815)	1,928,032	1,867,491	(60,541)	118,316	(178,857)
Other securities	411,007	435,347	24,340	32,845	(8,504)	439,062	437,974	(1,088)	28,188	(29,276)
Monetary claims bought	188,102	192,123	4,021	4,891	(870)	259,150	260,458	1,307	3,591	(2,283)
Negotiable certificates of deposit	520,900	520,844	(55)	-	(55)	602,000	601,947	(52)	-	(52)
Others	-	-	-	-	-	-	-	-	-	-
Total	29,313,176	31,849,649	2,536,473	3,121,486	(585,012)	30,302,689	31,668,901	1,366,211	2,881,867	(1,515,656)
Domestic bonds	14,563,186	15,651,386	1,088,199	1,323,856	(235,656)	14,562,663	15,182,379	619,715	1,172,615	(552,899)
Domestic stocks	1,155,190	2,297,231	1,142,041	1,181,568	(39,527)	1,158,178	2,217,766	1,059,588	1,095,192	(35,603)
Foreign securities	12,474,789	12,752,715	277,925	578,323	(300,398)	13,281,635	12,968,374	(313,260)	582,280	(895,540)
Foreign bonds	10,734,343	10,924,561	190,217	422,801	(232,583)	11,301,364	11,050,305	(251,059)	463,964	(715,023)
Other foreign securities	1,740,446	1,828,153	87,707	155,522	(67,815)	1,980,270	1,918,069	(62,201)	118,316	(180,517)
Other securities	411,007	435,347	24,340	32,845	(8,504)	439,062	437,974	(1,088)	28,188	(29,276)
Monetary claims bought	188,102	192,123	4,021	4,891	(870)	259,150	260,458	1,307	3,591	(2,283)
Negotiable certificates of deposit	520,900	520,844	(55)	-	(55)	602,000	601,947	(52)	-	(52)
Others	-	-	-	-	-	-	-	-	-	-

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

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

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

(Millions of Yen)

	As of March 31, 2022	As of June 30, 2022
Investments in subsidiaries and affiliated companies	743,750	743,907
Available-for-sale securities	134,191	151,489
Domestic stocks	19,990	19,957
Foreign stocks	34,558	34,558
Others	79,642	96,973
Total	877,942	895,397

c. Fair Value Information of Money held in trust

(Millions of Yen)

	As of March 31, 2022					As of June 30, 2022				
	Balance sheet amount	Fair value	Net gains (losses)	Net gains (losses)		Balance sheet amount	Fair value	Net gains (losses)	Net gains (losses)	
				Gains	Losses				Gains	Losses
Money held in trust	4,914	4,914	-	-	-	6,868	6,868	-	-	-

Money held in trust for trading

(Millions of Yen)

	As of March 31, 2022		As of June 30, 2022	
	Balance sheet amount	Net Valuation gains (losses) included in statement of income	Balance sheet amount	Net Valuation gains (losses) included in statement of income
Money held in trust for trading	4,914	383	6,868	663

Money held in trust except for trading

No money held in trust except for trading as of March 31, 2022 and June 30, 2022.