

[Attachment]

Explanatory Material for Business Results for the Six Months Ended September 30, 2017

November 17, 2017

MS&AD Insurance Group Holdings, Inc.

This document has been translated from the Japanese original solely for reference purposes, and the Japanese original shall prevail if any discrepancy is identified.

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1. Summary of Consolidated Business Results

(1) Consolidated Business Performance

(Yen in 100 millions)

	Items	Six months ended September 30, 2016	Six months ended September 30, 2017	Change	Change ratio
Ordinary income and expenses:					
Underwriting income:	1	25,799	24,533	(1,266)	(4.9) %
Net premiums written	2	18,393	18,641	247	1.3
Deposit premiums from policyholders	3	523	451	(71)	(13.7)
Life insurance premiums	4	6,610	5,111	(1,499)	(22.7)
Underwriting expenses:	5	20,019	24,177	4,157	20.8
Net claims paid	6	8,871	8,866	(5)	(0.1)
Loss adjustment expenses	7	830	834	4	0.5
Commissions and collection expenses	8	3,495	3,500	4	0.1
Maturity refunds to policyholders	9	1,175	1,122	(52)	(4.5)
Life insurance claims	10	1,608	1,742	134	8.3
Provision for outstanding claims	11	365	1,393	1,027	280.8
Provision for underwriting reserves	12	3,378	6,688	3,310	98.0
Investment income:	13	1,787	4,299	2,512	140.5
Interest and dividends income	14	1,312	1,422	109	8.4
Investment gains on money trusts	15	7	483	475	6,428.2
Gains on sales of securities	16	411	593	181	44.2
Investment gains on separate accounts	17	-	1,230	1,230	-
Investment expenses:	18	2,856	155	(2,701)	(94.6)
Investment losses on money trusts	19	517	0	(517)	(100.0)
Losses on sales of securities	20	45	29	(15)	(34.9)
Impairment losses on securities	21	26	14	(11)	(44.4)
Investment losses on separate accounts	22	626	-	(626)	(100.0)
Operating expenses and general and administrative expenses	23	3,202	3,197	(5)	(0.2)
Other ordinary income and expenses:	24	2	13	10	369.4
Gains/(losses) on equity method investments	25	3	9	5	140.2
Ordinary profit	26	1,510	1,315	(194)	(12.9)
Extraordinary income and losses:					
Extraordinary income	27	122	1	(121)	(99.0)
Extraordinary losses	28	282	184	(97)	(34.6)
Extraordinary income/(losses)	29	(159)	(183)	(23)	-
Income before income taxes	30	1,350	1,132	(218)	(16.2)
Income taxes - current	31	366	731	364	99.6
Income taxes - deferred	32	(9)	(365)	(355)	-
Total income taxes	33	356	366	9	2.6
Net income	34	993	766	(227)	(22.9)
Net income attributable to non-controlling interests	35	9	8	(0)	(8.4)
Net income attributable to owners of the parent	36	984	757	(226)	(23.0)

(Notes) 1. The figures in the above table are presented exclusive of Good Result Return premiums of Mitsui Sumitomo Insurance's proprietary automobile insurance product "ModoRich", which contains a special clause related to premium adjustment and refund at maturity.

2. Extraordinary losses for the six months ended September 30, 2016 include system-related costs that were recognized by the reorganization by function at domestic insurance consolidated subsidiaries under the umbrella of the Company in the amount of ¥21.4 billion.

Incurred losses related to non-life insurance business	37	9,217	10,224	1,006	10.9
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(Note) Incurred losses (excluding loss adjustment expenses) = net claims paid + movement in outstanding claims

(2) Breakdown of Results by Company (Net Premiums Written, Ordinary Profit and Net Income Attributable to Owners of the Parent)

(Yen in 100 millions)

	Items	Six months ended September 30, 2016	Six months ended September 30, 2017	Change	Change ratio
Net premiums written ^(Note 1)	1	18,393	18,641	247	1.3
Mitsui Sumitomo Insurance ^(Note 1)	2	7,566	7,816	250	3.3
Aioi Nissay Dowa Insurance	3	6,094	6,301	207	3.4
Mitsui Direct General Insurance	4	186	186	0	0.5
Overseas insurance subsidiaries	5	4,514	4,307	(206)	(4.6)
Ordinary profit	6	1,510	1,315	(194)	(12.9)
Mitsui Sumitomo Insurance	7	933	1,313	380	40.7
Aioi Nissay Dowa Insurance	8	495	224	(270)	(54.7)
Net income attributable to owners of the parent	9	984	757	(226)	(23.0)
Mitsui Sumitomo Insurance	10	693	988	295	42.6
Aioi Nissay Dowa Insurance	11	335	137	(197)	(58.9)
Mitsui Direct General Insurance	12	0	10	10	1,553.2
Mitsui Sumitomo Aioi Life Insurance	13	42	41	(1)	(2.4)
Mitsui Sumitomo Primary Life Insurance	14	117	177	59	50.2
Overseas insurance subsidiaries	15	130	(381)	(512)	(391.5)
Others, consolidation adjustments, etc.	16	(336)	(216)	119	-

(Notes) 1. The figures in the above table are presented exclusive of Good Result Return premiums of Mitsui Sumitomo Insurance's proprietary automobile insurance product "ModoRich", which contains a special clause related to premium adjustment and refund at maturity.

2. Items 10 to 15 represent the net income or loss on a non-consolidated basis after taking into account the Company's ownership interests in its subsidiaries.

(3) Breakdown of Results of Overseas Insurance Subsidiaries

(Yen in 100 millions)

	Items	Six months ended September 30, 2016	Six months ended September 30, 2017	Change	Change ratio
Net premiums written	1	4,514	4,307	(206)	(4.6)
Asia	2	812	813	0	0.1
Europe	3	3,463	3,235	(228)	(6.6)
MS Amlin ^(Note)	4	3,227	2,985	(242)	(7.5)
Americas	5	238	259	20	8.7
Net income/(loss) attributable to owners of the parent	6	130	(381)	(512)	(391.5)
Asia	7	83	89	5	6.3
Europe	8	36	(477)	(514)	(1,394.2)
MS Amlin ^(Note)	9	60	(465)	(526)	(867.0)
Americas	10	10	7	(3)	(31.2)

(Note) The figures of "MS Amlin" for the six months ended September 30, 2016 include the results of the other subsidiaries which were integrated into MS Amlin, due to the reorganization of Lloyd's and reinsurance business occurred on December 31, 2016.

(4) Summary of Results of Domestic Life Insurance Business

(Yen in 100 millions)

	Items	Six months ended September 30, 2016	Six months ended September 30, 2017	Change	Change ratio	Year ended March 31, 2017
Amount of new policies						
Mitsui Sumitomo Aioi Life Insurance	1	10,894	14,144	3,249	29.8 %	23,771
Mitsui Sumitomo Primary Life Insurance	2	5,208	4,831	(376)	(7.2) %	10,322
Amount of policies in force						
Mitsui Sumitomo Aioi Life Insurance	3	228,073	235,726	3,583	1.5 %	232,142
Mitsui Sumitomo Primary Life Insurance	4	49,686	60,958	4,150	7.3 %	56,807
Annualized premiums for policies in force						
Mitsui Sumitomo Aioi Life Insurance	5	3,857	4,072	61	1.5 %	4,010
Mitsui Sumitomo Primary Life Insurance	6	4,789	5,294	(26)	(0.5) %	5,321

(Notes) 1. The figures in the above table represent the total sum of individual insurance and individual annuities.

2. “Change” and “Change ratio” make comparisons with the six months ended September 30, 2016 for items 1 and 2 and the year ended March 31, 2017 for items 3 to 6.

(5) Incurred Losses due to the Hurricanes in North America and the Earthquakes in Mexico included in Consolidated Business Results for the Six Months Ended September 30, 2017

(Yen in 100 millions)

	Six months ended September 30, 2017
Hurricane Harvey	212
Hurricane Irma	389
Hurricane Maria	225
Earthquakes in Mexico	47
Total	874

2. Non-Consolidated Business Results of Mitsui Sumitomo Insurance Co., Ltd.

The figures in the tables below are presented exclusive of Good Result Return premiums of Mitsui Sumitomo Insurance's proprietary automobile insurance product "ModoRich", which contains a special clause related to premium adjustment and refund at maturity.

(1) Business Performance

(Yen in 100 millions)

	Items	Six months ended September 30, 2016	Six months ended September 30, 2017	Change	Change ratio
(+)	Net premiums written	7,566	7,816	250	3.3
(-)	Net claims paid	3,863	3,814	(48)	(1.3)
(-)	Loss adjustment expenses	435	434	(0)	(0.2)
(-)	Commissions and collection expenses	1,286	1,331	45	3.5
(-)	Operating expenses and general and administrative expenses for underwriting	981	1,000	19	2.0
	Underwriting profit before movements in reserves	999	1,235	235	23.5
(-)	Movement in outstanding claims	154	214	60	39.5
(-)	Movement in ordinary underwriting reserves	126	277	151	120.2
(-)	Movement in catastrophe reserve	301	274	(26)	(9.0)
(+)	Other	0	19	18	1,877.2
	Underwriting profit	419	487	68	16.2
(+)	Interest and dividends income	536	565	29	5.4
(-)	Transfer of investment income on deposit premiums from policyholders	185	169	(16)	(8.7)
	Net interest and dividends income (item 12 - item 13)	350	395	45	12.9
(+)	Gains/(losses) on sales of securities	296	449	152	51.5
(-)	Impairment losses on securities	1	9	8	782.7
(+)	Other	(117)	3	120	-
	Investment profit	528	838	310	58.7
(+)	Other ordinary profit/(loss)	(14)	(12)	1	-
	Ordinary profit	933	1,313	380	40.7
(+)	Extraordinary income/(losses):	(26)	(21)	4	-
	Gains/(losses) on reserve for price fluctuation	(17)	(18)	(0)	-
	Income before income taxes	906	1,291	384	42.4
(-)	Income taxes	213	303	89	41.9
	Net income	693	988	295	42.6

Ratios	Net loss ratio	26	56.8 %	54.4 %	(2.4) %	
	Net expense ratio	27	30.0 %	29.8 %	(0.2) %	
	Combined ratio	28	86.8 %	84.2 %	(2.6) %	

Incurred losses (item 2 + item 7)	29	4,017	4,029	12	0.3
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- (Notes) 1. Net loss ratio = (net claims paid + loss adjustment expenses) / net premiums written x 100
2. Net expense ratio = (commissions and collection expenses + operating expenses and general and administrative expenses for underwriting) / net premiums written x 100
3. Combined ratio = net loss ratio + net expense ratio

(Reference) Business performance excluding residential earthquake insurance and CALI*

	Net premiums written	30	6,635	6,834	198	3.0
Ratios	Net loss ratio	31	52.5 %	51.3 %	(1.2) %	
	Net expense ratio	32	31.8 %	31.6 %	(0.2) %	
	Combined ratio	33	84.3 %	82.9 %	(1.4) %	

* CALI stands for compulsory automobile liability insurance, and the same hereinafter.

(2) Premiums written

(Yen in 100 millions)

	Net premiums written				Direct premiums written (excluding deposit premiums from policyholders)			
	Six months ended September 30, 2016		Six months ended September 30, 2017		Six months ended September 30, 2016		Six months ended September 30, 2017	
	Amount	Change ratio %	Amount	Change ratio %	Amount	Change ratio %	Amount	Change ratio %
Fire and allied	942	(37.9)	1,053	11.7	1,304	(31.2)	1,414	8.4
Marine	312	(11.9)	310	(0.8)	430	(14.4)	423	(1.5)
Personal accident	752	1.4	775	3.1	804	3.1	828	2.9
Voluntary automobile	3,309	1.6	3,345	1.1	3,324	1.8	3,358	1.0
CALI	926	(3.2)	979	5.7	865	(1.9)	862	(0.5)
Other	1,322	11.4	1,353	2.3	1,504	11.9	1,554	3.3
Total	7,566	(5.6)	7,816	3.3	8,234	(5.0)	8,441	2.5

(3) Net claims paid

(Yen in 100 millions)

	Six months ended September 30, 2016			Six months ended September 30, 2017			
	Amount	Change ratio %	Net loss ratio %	Amount	Change ratio %	Net loss ratio %	Change %
Fire and allied	612	5.4	67.1	514	(16.1)	50.9	(16.2)
Marine	161	(3.0)	54.6	147	(8.4)	50.4	(4.2)
Personal accident	354	(4.6)	51.6	343	(3.3)	48.8	(2.8)
Voluntary automobile	1,538	(1.2)	54.8	1,600	4.1	55.9	1.1
CALI	685	1.2	81.3	678	(1.0)	76.2	(5.1)
Other	511	14.1	40.9	530	3.8	41.5	0.6
Total	3,863	1.6	56.8	3,814	(1.3)	54.4	(2.4)

(Note) Net loss ratio = (net claims paid + loss adjustment expenses) / net premiums written x 100

(Reference) Incurred losses caused by natural disasters in Japan

(Yen in 100 millions)

	Six months ended September 30, 2016			Six months ended September 30, 2017		
	Incurred losses	Net claims paid	Outstanding claims	Incurred losses	Net claims paid	Outstanding claims
Fire and allied	272	59	212	130	33	97
Voluntary automobile	11	7	3	14	10	4
Other	15	1	13	8	1	7
Total	300	69	230	154	44	109

(Note) The above table describes losses caused by natural disasters in Japan, which exclude residential earthquake insurance, incurred during the respective period.

The figures for the six months ended September 30, 2016 include incurred losses related to the Kumamoto earthquakes, which exclude residential earthquake insurance, as follows:

Incurred losses ¥9.6 billion, Net claims paid ¥1.7 billion and Outstanding claims ¥7.9 billion.

(4) Expenses

<Company expenses>

(Yen in 100 millions)

	Items	Six months ended September 30, 2016			Six months ended September 30, 2017		
		Amount	Change	Change ratio %	Amount	Change	Change ratio %
Personnel expenses	1	855	14	1.7	851	(3)	(0.5)
Non-personnel expenses	2	550	6	1.1	576	26	4.8
Taxes and contributions	3	64	(1)	(2.9)	64	0	0.6
Total	4	1,469	18	1.3	1,492	22	1.6

(Note) Total = loss adjustment expenses + operating expenses and general and administrative expenses

<Expenses for underwriting>

(Yen in 100 millions)

	Items	Six months ended September 30, 2016			Six months ended September 30, 2017		
		Amount	Change	Change ratio %	Amount	Change	Change ratio %
Operating expenses and general and administrative expenses	5	981	6	0.6	1,000	19	2.0
Commissions and collection expenses	6	1,286	(126)	(8.9)	1,331	45	3.5
Total	7	2,267	(119)	(5.0)	2,331	64	2.8
Net expense ratio	8	30.0 %	0.2 %		29.8 %	(0.2) %	

(5) Outstanding claims

(Yen in 100 millions)

	September 30, 2016		September 30, 2017	
	Balance	Movement	Balance	
				Movement
Fire and allied	1,053	139	1,027	109
Marine	360	(3)	362	50
Personal accident	487	(15)	458	(8)
Voluntary automobile	2,728	57	2,626	52
CALI	517	(18)	509	(10)
Other	1,503	(5)	1,663	21
Total	6,651	154	6,649	214

(6) Incurred losses and earned-incurred loss ratio

(Yen in 100 millions)

	Six months ended September 30, 2016		Six months ended September 30, 2017			
	Incurred losses	Earned-incurred loss ratio	Incurred losses	Change	Earned-incurred loss ratio	Change
		%			%	%
Fire and allied	713	66.2	645	(67)	58.0	(8.2)
Marine	166	53.5	206	40	66.0	12.5
Personal accident	372	54.9	370	(2)	53.6	(1.3)
Voluntary automobile	1,871	57.1	1,923	51	57.8	0.7
Other	534	45.6	583	48	48.3	2.7
Total	3,659	56.2	3,729	70	56.1	(0.1)

(Note) Earned-incurred loss ratio is calculated by the following method:

The calculation is exclusive of residential earthquake insurance and CALI.

Incurred losses = net claims paid + loss adjustment expenses + movement in outstanding claims

Earned premiums are calculated based on unearned premiums (excluding underwriting reserves for natural disasters), premium reserve, etc.

Earned-incurred loss ratio = incurred losses / earned premiums x 100

(7) Underwriting reserves

(Yen in 100 millions)

		September 30, 2017				
		Total underwriting reserves	Ordinary underwriting reserves	Reserve for refunds and dividends to policyholders	Catastrophe reserve	Contingency reserve
Fire and allied	Balance	9,225	6,305	1,404	1,513	1
	Movement	(132)	(60)	(124)	52	0
Marine	Balance	1,071	275	-	795	-
	Movement	8	(5)	-	14	-
Personal accident	Balance	12,565	1,242	10,618	701	4
	Movement	(129)	85	(239)	24	0
Voluntary automobile	Balance	2,776	2,020	59	697	0
	Movement	100	17	(24)	107	0
CALI	Balance	2,500	2,500	-	-	-
	Movement	90	90	-	-	-
Other	Balance	5,191	2,745	589	1,855	0
	Movement	221	149	(4)	75	0
Total	Balance	33,331	15,090	12,672	5,562	6
	Movement	159	277	(393)	274	0

(Note) Reserves for residential earthquake insurance and CALI are included in ordinary underwriting reserves.

(8) Catastrophe reserve

(Yen in 100 millions)

	March 31, 2017		September 30, 2017			
	Balance	Reserve ratio	Reversal	Provision	Balance	Reserve ratio
		%				
Fire and allied	1,460	79.7	-	52	1,513	72.0
Marine	781	133.2	-	14	795	128.3
Personal accident	677	47.2	-	24	701	45.2
Voluntary automobile	589	9.0	-	107	697	10.4
Other	1,780	73.4	0	75	1,855	68.6
Total	5,288	41.3	0	274	5,562	40.7

(Note) Reserve ratio = catastrophe reserve / net premiums written (excluding premiums of residential earthquake insurance and CALI and Good Result Return premiums of the automobile insurance product "ModoRich") x 100
Reserve ratio for September 30, 2017 is calculated on an annualized basis using net premiums written multiplied by two as a denominator.

(9) Investment assets

(Yen in 100 millions)

	March 31, 2017	September 30, 2017	
			Change
Cash, deposits and savings	4,198	5,472	1,274
Investments in securities:	52,946	54,285	1,338
Domestic bonds	18,479	18,108	(370)
Domestic stocks	18,068	19,227	1,158
Foreign securities	16,048	16,588	539
Other securities	349	361	11
Loans	4,181	3,957	(224)
Land and buildings	2,000	1,973	(26)
Total	63,327	65,689	2,362
(Reference)			
Long-term investment assets	12,959	12,591	(368)

(Reference) Breakdown of domestic bonds

(Yen in 100 millions)

	March 31, 2017	September 30, 2017	
			Change
Government bonds	12,633	12,099	(533)
Municipal bonds	888	885	(3)
Corporate bonds:	4,957	5,123	166
Government agency bonds	1,042	1,007	(34)
Specific financial institution bonds	32	32	(0)
Other corporate bonds	3,883	4,084	201
Total	18,479	18,108	(370)

(10) Breakdown of interest and dividends income

(Yen in 100 millions)

	Six months ended September 30, 2016	Six months ended September 30, 2017	
			Change
Investments in securities:	471	507	35
Domestic bonds	98	95	(2)
Domestic stocks	239	236	(2)
Foreign securities	122	152	30
Other securities	12	22	10
Loans	26	20	(5)
Land and buildings	31	32	0
Other	6	5	(1)
Total	536	565	29

(11) Investments in securities**Unrealized gains and losses on investments in securities**

(Yen in 100 millions)

September 30, 2017	Cost	Fair value	Difference	Change from
				March 31, 2017
Domestic bonds	16,616	18,108	1,492	(56)
Domestic stocks	6,232	18,885	12,653	1,374
Foreign securities	4,865	5,053	188	109
Other securities	293	323	29	(5)
Total	28,007	42,370	14,363	1,422

(Yen in 100 millions)

March 31, 2017	Cost	Fair value	Difference
Domestic bonds	16,930	18,479	1,548
Domestic stocks	6,437	17,716	11,278
Foreign securities	4,468	4,546	78
Other securities	309	343	34
Total	28,145	41,086	12,940

(Notes) 1. The above tables describe available-for-sale securities with practically determinable fair value.

2. "Other securities" includes loan receivable trust beneficiary certificates and commercial papers included in Monetary claims bought on the balance sheets.

Gains and losses on sales of securities

(Yen in 100 millions)

	Six months ended September 30, 2016 Gains/(losses)	Six months ended September 30, 2017		
		Gains/(losses)	Gains	Losses
Domestic bonds	2	1	2	1
Domestic stocks	290	438	438	0
Foreign securities	3	9	18	9
Other securities	-	-	-	-
Total	296	449	459	10

Impairment losses on securities

(Yen in 100 millions)

	Six months ended September 30, 2016	Six months ended September 30, 2017	
			Change
Domestic bonds	-	-	-
Domestic stocks	0	0	0
Foreign securities	0	5	4
Other securities	-	4	4
Total	1	9	8

3. Non-Consolidated Business Results of Aioi Nissay Dowa Insurance Co., Ltd.

(1) Business Performance

(Yen in 100 millions)

	Items	Six months ended September 30, 2016	Six months ended September 30, 2017	Change	Change ratio %
(+)	Net premiums written	6,094	6,301	207	3.4
(-)	Net claims paid	3,156	3,048	(108)	(3.4)
(-)	Loss adjustment expenses	295	302	6	2.2
(-)	Commissions and collection expenses	1,136	1,213	77	6.8
(-)	Operating expenses and general and administrative expenses for underwriting	871	836	(35)	(4.1)
	Underwriting profit before movements in reserves	633	900	266	42.1
(-)	Movement in outstanding claims	15	456	440	2,796.0
(-)	Movement in ordinary underwriting reserves	76	270	194	255.0
(-)	Movement in catastrophe reserve	216	230	13	6.3
(+)	Other	(57)	41	98	-
	Underwriting profit/(loss)	268	(15)	(283)	(105.8)
(+)	Interest and dividends income	269	291	21	8.0
(-)	Transfer of investment income on deposit premiums from policyholders	93	84	(9)	(10.2)
	Net interest and dividends income (item 12 - item 13)	175	206	31	17.7
(+)	Gains/(losses) on sales of securities	74	67	(6)	(9.3)
(-)	Impairment losses on securities	7	2	(5)	(66.6)
(+)	Other	(45)	(46)	(0)	-
	Investment profit	196	225	28	14.6
(+)	Other ordinary profit/(loss)	30	14	(16)	(52.5)
	Ordinary profit	495	224	(270)	(54.7)
(+)	Extraordinary income/(losses):	(62)	(54)	8	-
	Gains/(losses) on reserve for price fluctuation	(8)	(8)	(0)	-
	Income before income taxes	432	169	(262)	(60.8)
(-)	Income taxes	97	31	(65)	(67.2)
	Net income	335	137	(197)	(58.9)

Ratios	Net loss ratio	26	56.7 %	53.2 %	(3.5) %	
	Net expense ratio	27	33.0 %	32.5 %	(0.5) %	
	Combined ratio	28	89.7 %	85.7 %	(4.0) %	

Incurring losses (item 2 + item 7)	29	3,172	3,504	332	10.5
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- (Notes) 1. Net loss ratio = (net claims paid + loss adjustment expenses) / net premiums written x 100
2. Net expense ratio = (commissions and collection expenses + operating expenses and general and administrative expenses for underwriting) / net premiums written x 100
3. Combined ratio = net loss ratio + net expense ratio

(Reference) Business performance excluding residential earthquake insurance and CALI

	Net premiums written	30	5,252	5,414	162	3.1
Ratios	Net loss ratio	31	52.3 %	50.0 %	(2.3) %	
	Net expense ratio	32	34.6 %	34.2 %	(0.4) %	
	Combined ratio	33	86.9 %	84.2 %	(2.7) %	

(2) Premiums written

(Yen in 100 millions)

	Net premiums written				Direct premiums written (excluding deposit premiums from policyholders)			
	Six months ended September 30, 2016		Six months ended September 30, 2017		Six months ended September 30, 2016		Six months ended September 30, 2017	
	Amount	Change ratio %	Amount	Change ratio %	Amount	Change ratio %	Amount	Change ratio %
Fire and allied	750	(15.9)	909	21.2	917	(29.9)	991	8.1
Marine	28	(2.5)	45	57.4	0	-	(0)	(392.9)
Personal accident	326	(4.3)	323	(0.9)	344	(3.1)	340	(1.2)
Voluntary automobile	3,456	1.8	3,470	0.4	3,342	0.7	3,340	(0.1)
CALI	839	(4.5)	884	5.4	919	(2.7)	904	(1.6)
Other	693	16.1	668	(3.6)	732	8.1	758	3.6
Total	6,094	(0.7)	6,301	3.4	6,256	(5.3)	6,334	1.3

(3) Net claims paid

(Yen in 100 millions)

	Six months ended September 30, 2016			Six months ended September 30, 2017			
	Amount	Change ratio %	Net loss ratio %	Amount	Change ratio %	Net loss ratio %	Change %
Fire and allied	398	15.2	55.1	358	(10.1)	41.6	(13.5)
Marine	14	6.1	52.0	14	(0.9)	32.9	(19.1)
Personal accident	137	(10.2)	46.2	132	(3.4)	45.2	(1.0)
Voluntary automobile	1,658	(2.3)	53.7	1,673	0.9	54.0	0.3
CALI	609	(0.8)	78.8	591	(2.9)	72.6	(6.2)
Other	338	27.1	51.2	277	(18.0)	44.3	(6.9)
Total	3,156	2.1	56.7	3,048	(3.4)	53.2	(3.5)

(Note) Net loss ratio = (net claims paid + loss adjustment expenses) / net premiums written x 100

(Reference) Incurred losses caused by natural disasters in Japan

(Yen in 100 millions)

	Six months ended September 30, 2016			Six months ended September 30, 2017		
	Incurred losses	Net claims paid	Outstanding claims	Incurred losses	Net claims paid	Outstanding claims
Fire and allied	139	38	100	75	17	58
Voluntary automobile	11	8	3	13	9	4
Other	6	1	5	5	0	4
Total	157	48	109	94	27	66

(Note) The above table describes losses caused by natural disasters in Japan, which exclude residential earthquake insurance, incurred during the respective period.

The figures for the six months ended September 30, 2016 include incurred losses related to the Kumamoto earthquakes, which exclude residential earthquake insurance, as follows:

Incurred losses ¥3.6 billion, Net claims paid ¥0.5 billion and Outstanding claims ¥3.1 billion.

(4) Expenses

<Company expenses>

(Yen in 100 millions)

	Items	Six months ended September 30, 2016			Six months ended September 30, 2017		
		Amount	Change	Change ratio %	Amount	Change	Change ratio %
Personnel expenses	1	618	(14)	(2.3)	640	21	3.5
Non-personnel expenses	2	535	(39)	(6.9)	494	(40)	(7.6)
Taxes and contributions	3	55	(0)	(1.1)	56	0	0.9
Total	4	1,209	(54)	(4.3)	1,190	(18)	(1.6)

(Note) Total = loss adjustment expenses + operating expenses and general and administrative expenses

<Expenses for underwriting>

(Yen in 100 millions)

	Items	Six months ended September 30, 2016			Six months ended September 30, 2017		
		Amount	Change	Change ratio %	Amount	Change	Change ratio %
Operating expenses and general and administrative expenses	5	871	(51)	(5.5)	836	(35)	(4.1)
Commissions and collection expenses	6	1,136	(8)	(0.8)	1,213	77	6.8
Total	7	2,008	(59)	(2.9)	2,050	41	2.1
Net expense ratio	8	33.0 %	(0.7) %		32.5 %	(0.5) %	

(5) Outstanding claims

(Yen in 100 millions)

	September 30, 2016		September 30, 2017	
	Balance	Movement	Balance	Movement
Fire and allied	552	61	954	364
Marine	37	(4)	54	11
Personal accident	220	(6)	237	4
Voluntary automobile	2,948	21	3,019	80
CALI	462	(20)	449	(12)
Other	909	(36)	1,008	7
Total	5,131	15	5,723	456

(6) Incurred losses and earned-incurred loss ratio

(Yen in 100 millions)

	Six months ended September 30, 2016		Six months ended September 30, 2017			
	Incurred losses	Earned-incurred loss ratio	Incurred losses	Change	Earned-incurred loss ratio	Change
		%			%	%
Fire and allied	431	53.4	742	311	84.2	30.8
Marine	10	36.0	26	15	74.2	38.2
Personal accident	143	47.7	150	6	50.3	2.6
Voluntary automobile	1,878	55.4	1,954	75	57.4	2.0
Other	319	50.3	303	(15)	50.2	(0.1)
Total	2,784	53.9	3,177	393	60.8	6.9

(Note) Earned-incurred loss ratio is calculated by the following method:

The calculation is exclusive of residential earthquake insurance and CALI.

Incurred losses = net claims paid + loss adjustment expenses + movement in outstanding claims

Earned premiums are calculated based on unearned premiums, premium reserve, etc.

Earned-incurred loss ratio = incurred losses / earned premiums x 100

(7) Underwriting reserves

(Yen in 100 millions)

		September 30, 2017				
		Total underwriting reserves	Ordinary underwriting reserves	Reserve for refunds and dividends to policyholders	Catastrophe reserve	Contingency reserve
Fire and allied	Balance	7,091	5,077	670	1,340	3
	Movement	56	26	(44)	74	-
Marine	Balance	179	39	-	139	-
	Movement	12	11	-	0	-
Personal accident	Balance	4,980	731	3,582	661	3
	Movement	(39)	24	(73)	10	-
Voluntary automobile	Balance	2,546	1,966	29	550	0
	Movement	177	63	2	111	-
CALI	Balance	2,403	2,403	-	-	-
	Movement	80	80	-	-	-
Other	Balance	2,164	1,331	157	675	0
	Movement	96	64	(1)	33	-
Total	Balance	19,366	11,551	4,440	3,367	7
	Movement	383	270	(117)	230	-

(Note) Reserves for residential earthquake insurance and CALI are included in ordinary underwriting reserves.

(8) Catastrophe reserve

(Yen in 100 millions)

	March 31, 2017		September 30, 2017			
	Balance	Reserve ratio	Reversal	Provision	Balance	Reserve ratio
		%				%
Fire and allied	1,265	83.0	-	74	1,340	73.9
Marine	139	254.7	-	0	139	153.9
Personal accident	651	106.1	-	10	661	102.3
Voluntary automobile	438	6.5	-	111	550	7.9
Other	641	48.8	0	33	675	50.5
Total	3,136	30.4	0	230	3,367	31.1

(Note) Reserve ratio = catastrophe reserve / net premiums written (excluding premiums of residential earthquake insurance and CALI) x 100
Reserve ratio for September 30, 2017 is calculated on an annualized basis using net premiums written multiplied by two as a denominator.

(9) Investment assets

(Yen in 100 millions)

	March 31, 2017	September 30, 2017	
			Change
Cash, deposits and savings	1,898	1,919	21
Investments in securities:	25,770	26,921	1,150
Domestic bonds	9,707	9,723	16
Domestic stocks	8,433	9,127	693
Foreign securities	7,070	7,386	315
Other securities	558	683	125
Loans	2,109	2,042	(66)
Land and buildings	1,634	1,587	(46)
Total	31,412	32,470	1,058

(Reference)

Long-term investment assets	4,530	4,410	(119)
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(Reference) Breakdown of domestic bonds

(Yen in 100 millions)

	March 31, 2017	September 30, 2017	
			Change
Government bonds	6,705	6,630	(75)
Municipal bonds	207	203	(3)
Corporate bonds:	2,794	2,889	94
Government agency bonds	519	537	17
Specific financial institution bonds	141	118	(23)
Other corporate bonds	2,133	2,233	99
Total	9,707	9,723	16

(10) Breakdown of interest and dividends income

(Yen in 100 millions)

	Six months ended September 30, 2016	Six months ended September 30, 2017	
			Change
Investments in securities:	231	251	20
Domestic bonds	49	50	0
Domestic stocks	97	104	6
Foreign securities	68	85	16
Other securities	15	11	(3)
Loans	13	11	(2)
Land and buildings	22	22	0
Other	1	4	2
Total	269	291	21

(11) Investments in securities

Unrealized gains and losses on investments in securities

(Yen in 100 millions)

September 30, 2017	Cost	Fair value	Difference	Change from
				March 31, 2017
Domestic bonds	9,091	9,723	632	(16)
Domestic stocks	4,199	8,857	4,657	744
Foreign securities	5,878	6,391	513	79
Other securities	554	629	75	18
Total	19,724	25,603	5,878	826

(Yen in 100 millions)

March 31, 2017	Cost	Fair value	Difference
Domestic bonds	9,059	9,707	648
Domestic stocks	4,252	8,165	3,913
Foreign securities	5,683	6,116	433
Other securities	455	512	56
Total	19,450	24,503	5,052

(Note) The above tables describe available-for-sale securities with practically determinable fair value.

Gains and losses on sales of securities

(Yen in 100 millions)

	Six months ended September 30, 2016 Gains/(losses)	Six months ended September 30, 2017 Gains/(losses)	Six months ended September 30, 2017	
			Gains	Losses
Domestic bonds	5	1	1	0
Domestic stocks	91	57	58	0
Foreign securities	(22)	8	25	16
Other securities	-	-	-	-
Total	74	67	84	17

Impairment losses on securities

(Yen in 100 millions)

	Six months ended September 30, 2016	Six months ended September 30, 2017	Change
Domestic bonds	-	-	-
Domestic stocks	7	0	(7)
Foreign securities	-	0	0
Other securities	-	2	2
Total	7	2	(5)

4. Earnings Forecasts

(1) MS&AD Insurance Group Holdings, Inc. (Consolidated)

(Yen in 100 millions)

	Items	Forecasts for year ending March 31, 2018	Change from previous year
Net premiums written ^(Note) :	1	34,500	1.3 %
Net premiums written at overseas non-life insurance subsidiaries	2	6,920	(0.2) %
Ordinary profit	3	2,380	(1,146)
Net income attributable to owners of the parent	4	1,450	(654)
Annual total of dividends per share	5	130.00 yen	10.00 yen

(2) Mitsui Sumitomo Insurance Co., Ltd. (Non-consolidated)

(Yen in 100 millions)

	Items	Forecasts for year ending March 31, 2018	Change from previous year
Net premiums written ^(Note)	6	14,930	1.6 %
Ordinary profit	7	2,300	144
Net income	8	1,720	74

(3) Aioi Nissay Dowa Insurance Co., Ltd. (Non-consolidated)

(Yen in 100 millions)

	Items	Forecasts for year ending March 31, 2018	Change from previous year
Net premiums written	9	12,220	1.8 %
Ordinary profit	10	460	(291)
Net income	11	300	(203)

(Note) The figures in the above tables are presented exclusive of Good Result Return premiums of Mitsui Sumitomo Insurance's proprietary automobile insurance product "ModoRich", which contains a special clause related to premium adjustment and refund at maturity.

(Breakdown of earnings forecasts)

Mitsui Sumitomo Insurance Co., Ltd. (Non-consolidated)

(Yen in 100 millions)

	Results for year ended March 31, 2017	Forecasts for year ending March 31, 2018
Direct premiums written (excluding deposit premiums from policyholders)	16,105	16,309
Change ratio	(1.6) %	1.3 %
Net premiums written	14,696	14,930
Change ratio	(2.5) %	1.6 %
Net loss ratio	61.2 %	60.5 %
Net expense ratio	31.2 %	31.5 %
Combined ratio	92.4 %	92.0 %
Underwriting profit	817	810
Net interest and dividends income	812	710
Ordinary profit	2,155	2,300
Net income	1,645	1,720

(Reference) Excluding residential earthquake insurance and CALI

	Results for year ended March 31, 2017	Forecasts for year ending March 31, 2018
Change ratio of net premiums written	(2.9) %	2.0 %
Net loss ratio	58.0 %	57.6 %
Net expense ratio	33.2 %	33.4 %
Combined ratio	91.2 %	91.0 %

Forecasts by line of insurance for the year ending March 31, 2018

(Yen in 100 millions)

	Net premiums written		Net loss ratio	
		Change ratio		Change
Fire and allied	1,932	5.1 %	67.3 %	(4.7) %
Marine	577	(1.6) %	62.5 %	1.2 %
Personal accident	1,457	1.5 %	52.7 %	(1.6) %
Voluntary automobile	6,600	0.9 %	58.6 %	1.3 %
CALI	1,842	(1.4) %	81.4 %	1.1 %
Other	2,521	3.9 %	48.9 %	(4.0) %
Total	14,930	1.6 %	60.5 %	(0.7) %

Aioi Nissay Dowa Insurance Co., Ltd. (Non-consolidated)

(Yen in 100 millions)

	Results for year ended March 31, 2017	Forecasts for year ending March 31, 2018
Direct premiums written (excluding deposit premiums from policyholders)	12,456	12,441
Change ratio	(1.9) %	(0.1) %
Net premiums written	12,005	12,220
Change ratio	0.7 %	1.8 %
Net loss ratio	59.1 %	59.7 %
Net expense ratio	33.5 %	33.7 %
Combined ratio	92.6 %	93.4 %
Underwriting profit	395	120
Net interest and dividends income	380	370
Ordinary profit	751	460
Net income	503	300

(Reference) Excluding residential earthquake insurance and CALI

	Results for year ended March 31, 2017	Forecasts for year ending March 31, 2018
Change ratio of net premiums written	1.0 %	2.4 %
Net loss ratio	55.6 %	56.8 %
Net expense ratio	35.2 %	35.4 %
Combined ratio	90.8 %	92.2 %

Forecasts by line of insurance for the year ending March 31, 2018

(Yen in 100 millions)

	Net premiums written		Net loss ratio	
		Change ratio		Change
Fire and allied	1,719	12.3 %	61.7 %	5.5 %
Marine	75	37.2 %	48.0 %	0.0 %
Personal accident	615	0.2 %	47.3 %	(1.3) %
Voluntary automobile	6,832	0.4 %	58.4 %	1.6 %
CALI	1,659	(1.7) %	78.1 %	0.2 %
Other	1,320	0.5 %	47.0 %	(8.6) %
Total	12,220	1.8 %	59.7 %	0.6 %

[Supplementary Information]

1. Supplementary Information on Consolidated Business Results

(1) Premiums Written and Net Claims Paid by Line of Insurance

Direct Premiums Written by Line of Insurance (including Deposit premiums from policyholders)

(Yen in millions)

Lines of Insurance	Six months ended September 30, 2016			Six months ended September 30, 2017		
	Amount	Share (%)	Change ratio (%)	Amount	Share (%)	Change ratio (%)
Fire and allied	304,450	16.0	(21.6)	316,168	16.4	3.8
Marine	112,279	5.9	50.7	116,345	6.0	3.6
Personal accident	174,087	9.2	1.6	171,545	8.9	(1.5)
Voluntary automobile	784,840	41.4	5.4	789,584	40.9	0.6
CALI	178,518	9.4	(2.3)	176,612	9.2	(1.1)
Other	343,109	18.1	23.4	359,780	18.6	4.9
Total:	1,897,287	100.0	3.1	1,930,038	100.0	1.7
Deposit premiums from policyholders	52,322	2.8	(23.4)	45,170	2.3	(13.7)

(Reference) Direct Premiums Written excluding Good Result Return premiums of the automobile insurance product "ModoRich"

Voluntary Automobile	784,665		5.4	792,174		1.0
Total	1,897,112		3.1	1,932,627		1.9

Net Premiums Written by Line of Insurance

(Yen in millions)

Lines of Insurance	Six months ended September 30, 2016			Six months ended September 30, 2017		
	Amount	Share (%)	Change ratio (%)	Amount	Share (%)	Change ratio (%)
Fire and allied	300,689	16.4	8.0	303,619	16.3	1.0
Marine	99,135	5.4	69.8	102,007	5.5	2.9
Personal accident	125,005	6.8	7.8	129,286	6.9	3.4
Voluntary automobile	811,756	44.1	7.4	816,915	43.9	0.6
CALI	176,803	9.6	(3.8)	186,650	10.0	5.6
Other	326,157	17.7	43.2	323,053	17.4	(1.0)
Total	1,839,546	100.0	13.5	1,861,532	100.0	1.2

(Reference) Net Premiums Written excluding Good Result Return premiums of the automobile insurance product "ModoRich"

Voluntary automobile	811,581		7.4	819,505		1.0
Total	1,839,371		13.5	1,864,122		1.3

Net Claims Paid by Line of Insurance

(Yen in millions)

Lines of Insurance	Six months ended September 30, 2016			Six months ended September 30, 2017		
	Amount	Share (%)	Change ratio (%)	Amount	Share (%)	Change ratio (%)
Fire and allied	146,051	16.5	39.3	134,515	15.2	(7.9)
Marine	43,845	4.9	89.6	45,349	5.1	3.4
Personal accident	54,384	6.1	(0.2)	52,089	5.9	(4.2)
Voluntary automobile	386,314	43.6	3.7	402,541	45.4	4.2
CALI	129,684	14.6	0.2	127,262	14.3	(1.9)
Other	126,893	14.3	37.7	124,901	14.1	(1.6)
Total	887,173	100.0	14.2	886,659	100.0	(0.1)

(Note) The figures in the above tables include elimination of intersegment transactions.

(2) Investments in Securities

1. Trading securities

(Yen in millions)

	March 31, 2017		September 30, 2017	
	Carrying amount	Unrealized gains/(losses) included in income	Carrying amount	Unrealized gains/(losses) included in income
Trading securities	3,245,290	41,278	3,454,688	73,157

(Note) "Trading securities" includes certificates of deposits included in Cash, deposits and savings, and commercial papers included in Monetary claims bought on the consolidated balance sheet.

2. Held-to-maturity securities

(Yen in millions)

Items	March 31, 2017			September 30, 2017		
	Carrying amount	Fair value	Difference	Carrying amount	Fair value	Difference
Domestic Bonds	1,032,755	1,223,936	191,181	1,039,981	1,232,390	192,408
Other Securities	9,539	9,539	-	6,489	6,489	-
Total	1,042,295	1,233,476	191,181	1,046,470	1,238,879	192,408

(Note) "Other Securities" includes certificates of deposits included in Cash, deposits and savings, and commercial papers included in Monetary claims bought on the consolidated balance sheet.

3. Debt securities earmarked for underwriting reserves

(Yen in millions)

Items	March 31, 2017			September 30, 2017		
	Carrying amount	Fair value	Difference	Carrying amount	Fair value	Difference
Domestic Bonds	288,821	285,054	(3,766)	391,761	387,326	(4,435)
Foreign Securities	1,408,431	1,436,414	27,983	1,567,607	1,597,875	30,268
Total	1,697,252	1,721,469	24,216	1,959,368	1,985,201	25,832

4. Available-for-sale securities

(Yen in millions)

Items	March 31, 2017			September 30, 2017		
	Cost	Carrying amount	Difference	Cost	Carrying amount	Difference
Domestic Bonds	4,005,029	4,336,212	331,183	3,998,929	4,315,709	316,779
Domestic Stocks	1,140,272	2,589,024	1,448,751	1,112,940	2,775,166	1,662,225
Foreign Securities	1,982,164	2,065,525	83,361	2,079,905	2,191,169	111,264
Other Securities	145,206	154,664	9,457	164,345	175,497	11,152
Total	7,272,672	9,145,427	1,872,754	7,356,120	9,457,543	2,101,422

(Notes) 1. Available-for-sale securities without practically determinable fair value are not included in the above table.

2. "Other Securities" includes certificates of deposits included in Cash, deposits and savings, and commercial papers and loan receivable trust beneficiary certificates included in Monetary claims bought on the consolidated balance sheet.

3. The Company and its consolidated subsidiaries recognized impairment losses on Available-for-sale securities with practically determinable fair value as follows.

For the year ended March 31, 2017: ¥1,602 million (comprised of ¥669 million on Domestic stocks and ¥932 million on Foreign securities)

For the six months ended September 30, 2017: ¥297 million (comprised of ¥83 million on Domestic stocks and ¥213 million on Foreign securities)

In principle, the Company and its domestic consolidated subsidiaries recognize impairment losses on securities with practically determinable fair value if the fair value declines by 30% or more from the cost.

2. Summary of Business Results of Main Consolidated Subsidiaries

(1) Mitsui Sumitomo Insurance Co., Ltd. (Non-consolidated)

Non-Consolidated Balance Sheets

(Yen in millions)

Items	March 31, 2017	September 30, 2017
(Assets)		
Cash, deposits and savings	389,027	517,916
Receivables under resale agreements	6,999	6,999
Monetary claims bought	20,393	18,627
Money trusts	3,500	3,809
Investments in securities	5,294,691	5,428,585
Loans	418,146	395,725
Tangible fixed assets	210,723	207,608
Intangible fixed assets	40,105	38,877
Other assets	352,144	336,426
Customers' liabilities under acceptances and guarantees	45,520	50,493
Bad debt reserve	(4,175)	(3,339)
Total assets	6,777,076	7,001,730
(Liabilities)		
Policy liabilities:	3,960,687	3,998,124
Outstanding claims	643,446	664,940
Underwriting reserves	3,317,241	3,333,183
Bonds issued	256,191	256,191
Other liabilities:	515,281	488,247
Income taxes payable	39,277	36,987
Lease obligations	1,399	1,333
Asset retirement obligations	3,831	3,872
Other liabilities	470,773	446,054
Reserve for pension and retirement benefits	136,186	139,925
Reserve for retirement benefits for officers	612	549
Accrued bonuses for employees	10,453	10,288
Reserve for reorganization by function	3,015	2,840
Reserves under the special laws:	67,801	69,639
Reserve for price fluctuation	67,801	69,639
Deferred tax liabilities	136,275	172,497
Acceptances and guarantees	45,520	50,493
Total liabilities	5,132,025	5,188,796
(Net assets)		
Common stock	139,595	139,595
Capital surplus	93,107	93,107
Retained earnings	443,975	506,123
Total shareholders' equity	676,678	738,827
Net unrealized gains/(losses) on investments in securities	932,995	1,036,604
Net deferred gains/(losses) on hedges	35,377	37,503
Total valuation and translation adjustments	968,372	1,074,107
Total net assets	1,645,050	1,812,934
Total liabilities and net assets	6,777,076	7,001,730

Non-Consolidated Statements of Income

(Yen in millions)

Items	Six months ended September 30, 2016	Six months ended September 30, 2017
Ordinary income:	881,510	921,101
Underwriting income:	812,757	828,263
Net premiums written	756,776	779,063
Deposit premiums from policyholders	37,378	31,737
Investment income on deposit premiums from policyholders	18,577	16,955
Investment income:	66,538	90,597
Interest and dividends income	53,637	56,546
Investment gains on money trusts	739	315
Gains on sales of securities	30,377	45,930
Transfer of investment income on deposit premiums from policyholders	(18,577)	(16,955)
Other ordinary income	2,213	2,241
Ordinary expenses:	788,146	789,733
Underwriting expenses:	671,566	677,948
Net claims paid	386,346	381,497
Loss adjustment expenses	43,566	43,478
Commissions and collection expenses	128,604	133,139
Maturity refunds to policyholders	84,021	81,968
Provision for outstanding claims	15,405	21,494
Provision for underwriting reserves	10,825	15,942
Investment expenses:	9,993	2,846
Investment losses on money trusts	39	-
Losses on sales of securities	719	1,006
Impairment losses on securities	109	966
Operating expenses and general and administrative expenses	103,365	105,737
Other ordinary expenses:	3,221	3,200
Interest expense	3,179	3,165
Ordinary profit	93,363	131,368
Extraordinary income	434	44
Extraordinary losses	3,099	2,230
Income before income taxes	90,698	129,182
Income taxes - current	24,674	34,915
Income taxes - deferred	(3,288)	(4,562)
Total income taxes	21,386	30,353
Net income	69,312	98,829

Non-Consolidated Solvency Margin Ratio

Insurance companies running their business in Japan calculate the non-consolidated solvency margin ratio pursuant to the provisions of Articles 86 and 87 of the Insurance Business Act Enforcement Regulations and Public Notice No. 50 issued by the Ministry of Finance in 1996.

While insurance companies set aside reserves to provide for payments of insurance claims should an insured event occur, they are also required to maintain sufficient funds to pay out in an event outside the normal range of estimates such as a major catastrophe and a significant drop in the value of their assets.

The non-consolidated solvency margin ratio, or item (C) in each of the tables below, which is calculated in accordance with the Insurance Business Act, is the ratio of “solvency margin of insurance companies calculated based on their capital and other reserves”, or (A) the total amount of solvency margin, to “risks exceeding the normal range of estimates”, or (B) the total amount of risks.

The non-consolidated solvency margin ratio is one of the objective indicators used by the insurance regulatory authorities to supervise insurance companies. A non-consolidated solvency margin ratio of 200% or over indicates adequate ability to satisfy insurance claims and other payment requirements.

(Yen in millions)

	March 31, 2017	September 30, 2017
(A) Total amount of solvency margin	2,840,438	3,131,771
Total net assets	639,997	724,619
Reserve for price fluctuation	67,801	69,639
Contingency reserve	589	675
Catastrophe reserve	536,735	564,424
General bad debt reserve	156	115
Net unrealized gains/(losses) on investments in securities and net deferred gains/(losses) on hedges (prior to tax effect deductions)	1,164,861	1,294,066
Net unrealized gains/(losses) on land	45,296	52,342
Excess of policyholders' contract deposits (a)	-	-
Subordinated debts, etc. (b)	256,191	256,191
Amount excluded from the margin, out of (a) and (b)	-	-
Deductions	14,646	6,642
Others	143,455	176,339
(B) Total amount of risks $\sqrt{(R_1 + R_2)^2 + (R_3 + R_4)^2} + R_5 + R_6$	863,472	899,507
General insurance risk (R ₁)	125,601	126,709
Insurance risk of third sector insurance contracts (R ₂)	-	-
Assumed interest rate risk (R ₃)	16,637	16,364
Asset management risk (R ₄)	696,215	738,502
Business administration risk (R ₅)	19,178	19,914
Catastrophe risk (R ₆)	120,461	114,164
(C) Solvency margin ratio [(A) / {(B) x 1/2}] x 100	657.9 %	696.3 %

(2) Aioi Nissay Dowa Insurance Co., Ltd. (Non-consolidated)

Non-Consolidated Balance Sheets

(Yen in millions)

Items	March 31, 2017	September 30, 2017
(Assets)		
Cash, deposits and savings	172,323	174,418
Call loans	15,000	15,000
Money trusts	2,502	2,515
Investments in securities	2,577,087	2,692,126
Loans	210,917	204,227
Tangible fixed assets	174,597	170,001
Intangible fixed assets	19,679	21,274
Other assets	276,730	285,030
Prepaid pension expenses	27,150	25,411
Deferred tax assets	16,329	9,610
Customers' liabilities under acceptances and guarantees	7,530	5,530
Bad debt reserve	(1,584)	(1,392)
Total assets	3,498,264	3,603,752
(Liabilities)		
Policy liabilities:	2,425,101	2,509,059
Outstanding claims	526,764	572,381
Underwriting reserves	1,898,337	1,936,677
Bonds issued	50,000	22,000
Other liabilities:	154,423	149,674
Income taxes payable	17,290	20,580
Lease obligations	30	22
Asset retirement obligations	661	816
Other liabilities	136,441	128,255
Reserve for pension and retirement benefits	22,840	24,930
Accrued bonuses for employees	5,919	5,794
Reserve for reorganization by function	2,288	2,066
Reserves under the special laws:	37,114	37,993
Reserve for price fluctuation	37,114	37,993
Acceptances and guarantees	7,530	5,530
Total liabilities	2,705,218	2,757,049
(Net assets)		
Common stock	100,005	100,005
Capital surplus	81,207	81,207
Retained earnings	237,071	230,659
Total shareholders' equity	418,284	411,872
Net unrealized gains/(losses) on investments in securities	374,762	434,830
Total valuation and translation adjustments	374,762	434,830
Total net assets	793,046	846,703
Total liabilities and net assets	3,498,264	3,603,752

Non-Consolidated Statements of Income

(Yen in millions)

Items	Six months ended September 30, 2016	Six months ended September 30, 2017
Ordinary income:	665,046	688,595
Underwriting income:	633,917	654,094
Net premiums written	609,468	630,173
Deposit premiums from policyholders	14,943	13,433
Investment income on deposit premiums from policyholders	9,399	8,438
Investment income:	27,913	29,900
Interest and dividends income	26,974	29,132
Investment gains on money trusts	0	1
Gains on sales of securities	10,085	8,461
Transfer of investment income on deposit premiums from policyholders	(9,399)	(8,438)
Other ordinary income	3,215	4,600
Ordinary expenses:	615,510	666,157
Underwriting expenses:	517,513	571,504
Net claims paid	315,677	304,863
Loss adjustment expenses	29,597	30,259
Commissions and collection expenses	113,645	121,385
Maturity refunds to policyholders	33,557	30,312
Provision for outstanding claims	1,575	45,616
Provision for underwriting reserves	16,044	38,340
Investment expenses:	5,610	4,821
Losses on sales of securities	2,665	1,734
Impairment losses on securities	772	257
Operating expenses and general and administrative expenses	91,335	88,797
Other ordinary expenses:	1,050	1,034
Interest expense	376	371
Ordinary profit	49,535	22,438
Extraordinary income	47	103
Extraordinary losses	6,340	5,572
Income before income taxes	43,243	16,969
Income taxes - current	4,941	19,028
Income taxes - deferred	4,791	(15,832)
Total income taxes	9,733	3,196
Net income	33,510	13,772

Non-Consolidated Solvency Margin Ratio

(Yen in millions)

	March 31, 2017	September 30, 2017
(A) Total amount of solvency margin	1,332,714	1,416,234
Total net assets	398,099	403,523
Reserve for price fluctuation	37,114	37,993
Contingency reserve	747	747
Catastrophe reserve	318,711	341,941
General bad debt reserve	296	197
Net unrealized gains/(losses) on investments in securities and net deferred gains/(losses) on hedges (prior to tax effect deductions)	455,477	529,835
Net unrealized gains/(losses) on land	14,099	19,120
Excess of policyholders' contract deposits (a)	-	-
Subordinated debts, etc. (b)	50,000	17,600
Amount excluded from the margin, out of (a) and (b)	-	-
Deductions	10,743	5,738
Others	68,911	71,012
(B) Total amount of risks $\sqrt{(R_1 + R_2)^2 + (R_3 + R_4)^2} + R_5 + R_6$	312,981	337,179
General insurance risk (R ₁)	103,370	103,250
Insurance risk of third sector insurance contracts (R ₂)	-	-
Assumed interest rate risk (R ₃)	8,387	8,176
Asset management risk (R ₄)	221,083	237,908
Business administration risk (R ₅)	7,728	8,228
Catastrophe risk (R ₆)	53,574	62,083
(C) Solvency margin ratio [(A) / {(B) x 1/2}] x 100	851.6 %	840.0 %

(3) Mitsui Direct General Insurance Co., Ltd. (Non-consolidated)**Non-Consolidated Balance Sheets**

(Yen in millions)

Items	March 31, 2017	September 30, 2017
(Assets)		
Cash, deposits and savings	12,180	13,142
Investments in securities	39,510	39,481
Tangible fixed assets	367	385
Intangible fixed assets	2,307	2,506
Other assets	5,625	5,209
Bad debt reserve	(4)	(2)
Total assets	59,987	60,723
(Liabilities)		
Policy liabilities:	44,851	44,659
Outstanding claims	24,157	24,634
Underwriting reserves	20,693	20,024
Other liabilities:	1,254	1,131
Income taxes payable	119	201
Asset retirement obligations	17	17
Other liabilities	1,118	912
Reserve for pension and retirement benefits	52	78
Accrued bonuses for employees	262	152
Reserves under the special laws:	56	60
Reserve for price fluctuation	56	60
Deferred tax liabilities	119	93
Total liabilities	46,596	46,176
(Net assets)		
Common stock	39,106	39,106
Capital surplus	9,006	9,006
Retained earnings	(34,820)	(33,624)
Total shareholders' equity	13,291	14,487
Net unrealized gains/(losses) on investments in securities	99	59
Total valuation and translation adjustments	99	59
Total net assets	13,390	14,546
Total liabilities and net assets	59,987	60,723

Non-Consolidated Statements of Income

(Yen in millions)

Items	Six months ended September 30, 2016	Six months ended September 30, 2017
Ordinary income:	18,975	19,409
Underwriting income:	18,932	19,368
Net premiums written	18,600	18,691
Investment income on deposit premiums from policyholders	10	9
Reversal of underwriting reserves	321	668
Investment income:	38	31
Interest and dividends income	47	40
Gains on sales of securities	0	-
Transfer of investment income on deposit premiums from policyholders	(10)	(9)
Other ordinary income	4	9
Ordinary expenses:	18,776	18,117
Underwriting expenses:	14,576	13,910
Net claims paid	12,531	11,922
Loss adjustment expenses	1,361	1,372
Commissions and collection expenses	124	138
Provision for outstanding claims	559	477
Investment expenses	-	-
Operating expenses and general and administrative expenses	4,167	4,205
Other ordinary expenses	32	1
Ordinary profit	198	1,292
Extraordinary income	-	-
Extraordinary losses	6	3
Income before income taxes	191	1,288
Income taxes - current	6	102
Income taxes - deferred	17	(10)
Total income taxes	23	91
Net income	168	1,196

Non-Consolidated Solvency Margin Ratio

(Yen in millions)

	March 31, 2017	September 30, 2017
(A) Total amount of solvency margin	14,705	15,260
Total net assets	13,291	14,487
Reserve for price fluctuation	56	60
Contingency reserve	0	0
Catastrophe reserve	1,231	635
General bad debt reserve	1	1
Net unrealized gains/(losses) on investments in securities and net deferred gains/(losses) on hedges (prior to tax effect deductions)	124	74
Net unrealized gains/(losses) on land	-	-
Excess of policyholders' contract deposits (a)	-	-
Subordinated debts, etc. (b)	-	-
Amount excluded from the margin, out of (a) and (b)	-	-
Deductions	-	-
Others	-	-
(B) Total amount of risks $\sqrt{(R_1 + R_2)^2 + (R_3 + R_4)^2} + R_5 + R_6$	6,817	6,818
General insurance risk (R ₁)	6,227	6,227
Insurance risk of third sector insurance contracts (R ₂)	-	-
Assumed interest rate risk (R ₃)	0	0
Asset management risk (R ₄)	912	921
Business administration risk (R ₅)	223	223
Catastrophe risk (R ₆)	300	300
(C) Solvency margin ratio [(A) / {(B) x 1/2}] x 100	431.4 %	447.5 %

(4) Mitsui Sumitomo Aioi Life Insurance Co., Ltd. (Non-consolidated)**Non-Consolidated Balance Sheets**

(Yen in millions)

Items	March 31, 2017	September 30, 2017
(Assets)		
Cash, deposits and savings	290,010	210,772
Receivables under securities borrowing transactions	285,455	281,527
Investments in securities	2,919,795	3,119,250
Loans	55,198	55,111
Tangible fixed assets	4,638	4,406
Intangible fixed assets	20,987	22,939
Due from agencies	116	117
Reinsurance accounts receivable	1,018	153
Other assets	42,103	38,663
Bad debt reserve	(128)	(121)
Total assets	3,619,194	3,732,821
(Liabilities)		
Policy liabilities:	2,934,939	3,053,696
Outstanding claims	27,648	25,576
Underwriting reserves	2,896,459	3,017,135
Reserve for dividends to policyholders	10,831	10,984
Due to agencies	5,626	4,673
Reinsurance accounts payable	283	229
Other liabilities:	375,124	371,473
Payables under securities lending transactions	361,797	358,123
Income taxes payable	853	1,213
Lease obligations	2,976	2,720
Asset retirement obligations	429	430
Other liabilities	9,066	8,985
Reserve for pension and retirement benefits	2,535	2,759
Reserve for retirement benefits for officers	28	25
Reserves under the special laws:	5,988	6,400
Reserve for price fluctuation	5,988	6,400
Deferred tax liabilities	18,397	17,620
Total liabilities	3,342,924	3,456,878
(Net assets)		
Common stock	85,500	85,500
Capital surplus	93,688	93,688
Retained earnings	6,133	8,207
Total shareholders' equity	185,321	187,395
Net unrealized gains/(losses) on investments in securities	90,948	88,547
Total valuation and translation adjustments	90,948	88,547
Total net assets	276,270	275,942
Total liabilities and net assets	3,619,194	3,732,821

Non-Consolidated Statements of Income

(Yen in millions)

Items	Six months ended September 30, 2016	Six months ended September 30, 2017
Ordinary income:	259,145	271,771
Insurance premiums and others:	235,799	243,230
Insurance premiums	235,734	242,757
Investment income:	22,523	25,072
Interest and dividends income	21,769	22,064
Gains on sales of securities	753	3,001
Other ordinary income:	821	3,469
Reversal of outstanding claims	33	2,071
Ordinary expenses:	250,412	262,921
Insurance claims and others:	90,654	94,793
Insurance claims	20,487	20,530
Annuity payments	7,684	8,100
Benefits	7,968	8,984
Surrender benefits	52,189	54,430
Other refunds	1,579	2,167
Provision for underwriting reserves and others:	115,803	120,675
Provision for underwriting reserves	115,803	120,675
Provision for interest portion of reserve for dividends to policyholders	0	0
Investment expenses:	950	1,809
Interest expense	37	30
Losses on sales of securities	-	633
Losses on derivative transactions	889	1,106
Operating expenses	37,223	39,412
Other ordinary expenses	5,780	6,229
Ordinary profit	8,732	8,850
Extraordinary income	0	1
Extraordinary losses	366	421
Provision for reserve for dividends to policyholders	2,219	2,861
Income before income taxes	6,146	5,568
Income taxes - current	1,908	1,214
Income taxes - deferred	(60)	156
Total income taxes	1,847	1,371
Net income	4,298	4,197

Business Results**Amount of Policies in Force and New Policies**

(1) Policies in force (Yen in 100 millions)

	March 31, 2017		September 30, 2017	
	Number of policies (in thousands)	Amount	Number of policies (in thousands)	Amount
Individual insurance	2,938	224,779	2,997	228,494
Individual annuities	186	7,362	184	7,231
Group insurance	-	70,743	-	75,612
Group annuities	-	3	-	3

(Notes) 1. The amounts of individual annuities represent the total sum of (a) the funds to be held at the time annuity payments are to commence for the policies for which annuity payments have not yet commenced and (b) the underwriting reserves for the policies for which annuity payments have commenced.

2. The amounts of group annuities represent the underwriting reserves.

(2) New policies (Yen in 100 millions)

	Six months ended September 30, 2016				Six months ended September 30, 2017			
	Number of policies (in thousands)	Amount	New policies	Net increase by conversion	Number of policies (in thousands)	Amount	New policies	Net increase by conversion
Individual insurance	153	10,763	10,763	-	136	14,096	14,096	-
Individual annuities	3	131	131	-	0	48	48	-
Group insurance	-	347	347	-	-	897	897	-
Group annuities	-	-	-	-	-	-	-	-

(Note) The amounts of individual annuities represent the funds to be held at the time annuity payments are to commence.

Annualized Premiums

(1) Policies in force (Yen in 100 millions)

	March 31, 2017	September 30, 2017
Individual insurance	3,577	3,638
Individual annuities	433	433
Total:	4,010	4,072
Medical coverage, living benefits, etc.	884	926

(2) New policies (Yen in 100 millions)

	Six months ended September 30, 2016	Six months ended September 30, 2017
Individual insurance	224	197
Individual annuities	7	2
Total:	231	199
Medical coverage, living benefits, etc.	77	68

(Notes) 1. An annualized premium is the annual total of premiums that is obtained by multiplying the amount of a single payment with the number of payments per year in accordance with the premium payment method. An annualized premium for a lump-sum payment policy is the premium divided by the number of years of coverage.

2. "Medical coverage, living benefits, etc." represents the portion of annualized premiums that corresponds to medical coverage benefits (for hospitalization, surgeries, etc.), living benefits (for specified diseases, nursing care, etc.) and premium waiver benefits (excluding those for disability, but including those for specified diseases, nursing care, etc.).

Non-Consolidated Business Performance

(Yen in millions)

	Six months ended September 30, 2016	Six months ended September 30, 2017	Change
Fundamental revenues:	258,393	268,768	10,375
Insurance premiums and others	235,799	243,230	7,430
Fundamental expenses	248,277	260,877	12,599
Fundamental profit	10,115	7,891	(2,224)
Capital gains/(losses)	(141)	1,261	1,402
Non-recurring gains/(losses)	(1,242)	(302)	939
Ordinary profit	8,732	8,850	117
Extraordinary income	0	1	0
Extraordinary losses	366	421	54
Provision for reserve for dividends to policyholders	2,219	2,861	642
Income taxes	1,847	1,371	(476)
Net income	4,298	4,197	(101)

Non-Consolidated Solvency Margin Ratio

(Yen in millions)

	March 31, 2017	September 30, 2017
(A) Total amount of solvency margin	487,958	494,430
Total capital	183,197	185,770
Reserve for price fluctuation	5,988	6,400
Contingency reserve	31,584	31,888
General bad debt reserve	25	19
Net unrealized gains/(losses) on investments in securities and net deferred gains/(losses) on hedges (prior to tax effect deductions) x 90%	113,685	110,684
Net unrealized gains/(losses) on land x 85%	-	-
Excess of continued Zillmerized reserve (a)	151,430	156,540
Subordinated debts, etc. (b)	-	-
Amount excluded from the margin, out of (a) and (b)	-	-
Brought in capital	-	-
Deductions	-	-
Others	2,046	3,125
(B) Total amount of risks $\sqrt{(R_1 + R_8)^2 + (R_2 + R_3 + R_7)^2} + R_4$	51,546	54,183
Insurance risk (R ₁)	16,565	17,104
Insurance risk of third sector insurance contracts (R ₈)	11,315	11,011
Assumed interest rate risk (R ₂)	3,080	3,099
Minimum guarantee risk (R ₇)	-	-
Asset management risk (R ₃)	38,611	41,508
Business administration risk (R ₄)	1,391	1,454
(C) Solvency margin ratio [(A) / {(B) x 1/2}] x 100	1,893.2 %	1,825.0 %

(5) Mitsui Sumitomo Primary Life Insurance Co., Ltd. (Non-consolidated)**Non-Consolidated Balance Sheets**

(Yen in millions)

Items	March 31, 2017	September 30, 2017
(Assets)		
Cash, deposits and savings	141,458	173,940
Monetary claims bought	41,499	35,499
Money trusts	965,032	1,053,261
Investments in securities	4,404,883	4,649,688
Loans	208,643	248,522
Tangible fixed assets	560	700
Intangible fixed assets	4,471	5,040
Reinsurance accounts receivable	2,851	2,780
Other assets	25,001	30,604
Deferred tax assets	43,644	47,646
Total assets	5,838,048	6,247,686
(Liabilities)		
Policy liabilities:	5,561,432	5,949,464
Outstanding claims	12,418	17,161
Underwriting reserves	5,549,014	5,932,302
Due to agencies	4,984	3,901
Reinsurance accounts payable	7,199	5,940
Other liabilities:	42,675	38,141
Income taxes payable	2,911	2,034
Lease obligations	207	486
Asset retirement obligations	132	133
Other liabilities	39,423	35,487
Reserves under the special laws:	84,000	95,973
Reserve for price fluctuation	84,000	95,973
Total liabilities	5,700,291	6,093,421
(Net assets)		
Common stock	41,060	41,060
Capital surplus	24,735	24,735
Retained earnings	64,435	78,654
Total shareholders' equity	130,230	144,449
Net unrealized gains/(losses) on investments in securities	7,522	9,819
Net deferred gains/(losses) on hedges	3	(4)
Total valuation and translation adjustments	7,525	9,814
Total net assets	137,756	154,264
Total liabilities and net assets	5,838,048	6,247,686

Non-Consolidated Statements of Income

(Yen in millions)

Items	Six months ended September 30, 2016	Six months ended September 30, 2017
Ordinary income:	569,801	774,247
Insurance premiums and others:	540,311	503,274
Insurance premiums	537,989	482,624
Investment income:	27,707	269,208
Interest and dividends income	26,272	38,036
Investment gains on money trusts	-	47,986
Gains on sales of securities	1,306	1,451
Gains on derivative transactions	128	-
Investment gains on separate accounts	-	123,064
Other ordinary income	1,782	1,764
Ordinary expenses:	568,316	737,735
Insurance claims and others:	190,581	321,977
Insurance claims	27,820	33,702
Annuity payments	40,303	43,905
Benefits	57,739	79,286
Surrender benefits	44,090	93,545
Other refunds	1,652	1,195
Provision for underwriting reserves and others:	69,401	388,032
Provision for outstanding claims	833	4,743
Provision for underwriting reserves	68,568	383,288
Investment expenses:	267,319	48
Interest expense	0	0
Investment losses on money trusts	51,667	-
Losses on sales of securities	1,299	-
Investment losses on separate accounts	62,615	-
Operating expenses	35,837	23,901
Other ordinary expenses	5,176	3,775
Ordinary profit	1,485	36,512
Extraordinary income	14,754	-
Extraordinary losses	-	11,973
Income before income taxes	16,239	24,539
Income taxes - current	(81)	11,731
Income taxes - deferred	4,536	(4,892)
Total income taxes	4,454	6,839
Net income	11,785	17,700

Business Results**Amount of Policies in Force and New Policies**

(1) Policies in force

(Yen in 100 millions)

	March 31, 2017		September 30, 2017	
	Number of policies (in thousands)	Amount	Number of policies (in thousands)	Amount
Individual insurance	597	33,352	646	37,478
Individual annuities	323	23,455	327	23,479
Group insurance	-	-	-	-
Group annuities	-	-	-	-

(Note) The amounts of individual annuities represent the total sum of (a) the funds to be held at the time annuity payments are to commence (the premium reserves in the case of individual variable annuities) for the policies for which annuity payments have not yet commenced and (b) the underwriting reserves for the policies for which annuity payments have commenced.

(2) New policies

(Yen in 100 millions)

	Six months ended September 30, 2016				Six months ended September 30, 2017			
	Number of policies (in thousands)	Amount	New policies	Net increase by conversion	Number of policies (in thousands)	Amount	New policies	Net increase by conversion
Individual insurance	88	4,572	4,572	-	59	3,961	3,961	-
Individual annuities	11	635	635	-	19	869	869	-
Group insurance	-	-	-	-	-	-	-	-
Group annuities	-	-	-	-	-	-	-	-

(Note) The amounts of individual annuities represent the funds to be held at the time annuity payments are to commence (the premium reserves at the time of enrollment in the case of individual variable annuities).

Annualized Premiums

(1) Policies in force

(Yen in 100 millions)

	March 31, 2017	September 30, 2017
Individual insurance	2,217	2,558
Individual annuities	3,104	2,735
Total:	5,321	5,294
Medical coverage, living benefits, etc.	0	0

(2) New policies

(Yen in 100 millions)

	Six months ended September 30, 2016	Six months ended September 30, 2017
Individual insurance	315	317
Individual annuities	417	122
Total:	733	439
Medical coverage, living benefits, etc.	-	-

- (Notes) 1. An annualized premium is the annual total of premiums that is obtained by multiplying the amount of a single payment with the number of payments per year in accordance with the premium payment method. An annualized premium for a lump-sum payment policy is the premium divided by the number of years of coverage.
2. "Medical coverage, living benefits, etc." represents the portion of annualized premiums that corresponds to medical coverage benefits (for hospitalization, surgeries, etc.), living benefits (for specified diseases, nursing care, etc.) and premium waiver benefits (excluding those for disability, but including those for specified diseases, nursing care, etc.).

Non-Consolidated Business Performance

(Yen in millions)

	Six months ended September 30, 2016	Six months ended September 30, 2017	Change
Fundamental revenues:	588,414	754,471	166,057
Insurance premiums and others	540,311	503,274	(37,037)
Fundamental expenses	594,518	737,857	143,338
Fundamental profit/(loss)	(6,104)	16,614	22,718
Capital gains/(losses)	3,033	22,745	19,712
Non-recurring gains/(losses)	4,555	(2,847)	(7,403)
Ordinary profit	1,485	36,512	35,027
Extraordinary income	14,754	-	(14,754)
Extraordinary losses	-	11,973	11,973
Provision for reserve for dividends to policyholders	-	-	-
Income taxes	4,454	6,839	2,384
Net income	11,785	17,700	5,914

(Note) Since the period for six months ended September 30, 2017, the disclosure method of the breakdown of ordinary profit relating to the effect of change in surrender values associated with market value adjustment has been modified. As a result, fundamental profit decreased by ¥1,103 million and capital gains increased by the same amount for the six months ended September 30, 2017, compared to those before the modification. The figures for the six months ended September 30, 2016 were also restated accordingly. As a result, fundamental profit increased by ¥13,917 million and capital gains decreased by the same amount for the six months ended September 30, 2016, compared to those before the modification.

Non-Consolidated Solvency Margin Ratio

(Yen in millions)

	March 31, 2017	September 30, 2017
(A) Total amount of solvency margin	558,542	603,309
Total capital	126,749	144,217
Reserve for price fluctuation	84,000	95,973
Contingency reserve	74,456	77,303
General bad debt reserve	-	-
Net unrealized gains/(losses) on investments in securities and net deferred gains/(losses) on hedges (prior to tax effect deductions) x 90%	9,402	12,274
Net unrealized gains/(losses) on land x 85%	-	-
Excess of continued Zillmerized reserve (a)	241,219	244,050
Subordinated debts, etc. (b)	-	-
Amount excluded from the margin, out of (a) and (b)	-	-
Brought in capital	-	-
Deductions	-	-
Others	22,714	29,489
(B) Total amount of risks $\sqrt{(R_1 + R_8)^2 + (R_2 + R_3 + R_7)^2} + R_4$	108,399	118,137
Insurance risk (R ₁)	89	95
Insurance risk of third sector insurance contracts (R ₈)	5	4
Assumed interest rate risk (R ₂)	41,902	44,918
Minimum guarantee risk (R ₇)	3,722	3,212
Asset management risk (R ₃)	60,647	67,687
Business administration risk (R ₄)	2,127	2,318
(C) Solvency margin ratio [(A) / {(B) x 1/2}] x 100	1,030.5 %	1,021.3 %

3. Supplementary Information on Business Results for the Six Months Ended September 30, 2017 for Press Conference

(1) Mitsui Sumitomo Insurance Co., Ltd. (Non-consolidated)

1. Basic Information

(Yen in 100 millions)

	Six months ended September 30, 2016 (A)	Year ended March 31, 2017 (B)	Six months ended September 30, 2017 (C)	Change (C) - (B)	Change (C) - (A)	
1	Net premiums written	7,566	14,696	7,816	-	250
	Change ratio	(5.6)%	(2.5)%	3.3 %	5.8 %	8.9 %
2	Total assets	65,730	67,770	70,017	2,246	4,287
3	Net loss ratio	56.8 %	61.2 %	54.4 %	(6.8)%	(2.4)%
4	Net expense ratio	30.0 %	31.2 %	29.8 %	(1.4)%	(0.2)%
5	Combined ratio	86.8 %	92.4 %	84.2 %	(8.2)%	(2.6)%
	Underwriting result ratio	13.2 %	7.6 %	15.8 %	8.2 %	2.6 %
6	Voluntary automobile insurance					
	Net premiums written	3,309	6,541	3,345	-	35
	Change ratio	1.6 %	1.3 %	1.1 %	(0.2)%	(0.5)%
	Underwriting result ratio	14.9 %	11.3 %	13.5 %	2.2 %	(1.4)%
	Net loss ratio	54.8 %	57.3 %	55.9 %	(1.4)%	1.1 %
	Net expense ratio	30.3 %	31.4 %	30.6 %	(0.8)%	0.3 %
7	Fire and allied insurance					
	Net premiums written	942	1,838	1,053	-	110
	Change ratio	(37.9)%	(24.2)%	11.7 %	35.9 %	49.6 %
	Underwriting result ratio	(7.5)%	(13.8)%	11.5 %	25.3 %	19.0 %
	Net loss ratio	67.1 %	72.0 %	50.9 %	(21.1)%	(16.2)%
	Net expense ratio	40.4 %	41.8 %	37.6 %	(4.2)%	(2.8)%
8	Number of employees	14,748	14,650	14,767	117	19
9	Number of agencies	41,953	41,305	40,860	(445)	(1,093)

- (Notes) 1. Net premiums written and ratios are presented exclusive of Good Result Return premiums of the automobile insurance product "ModoRich", which contains a special clause related to premium adjustment and refund at maturity.
2. Net loss ratio = (net claims paid + loss adjustment expenses) / net premiums written x 100
3. Net expense ratio = (commissions and collection expenses + operating expenses and general administrative expenses for underwriting) / net premiums written x 100
4. Combined ratio = net loss ratio + net expense ratio
5. Underwriting result ratio = 100 - combined ratio

(Reference) Consolidated Business Performance of MS&AD Insurance Group Holdings, Inc. (Yen in 100 millions)

	Six months ended September 30, 2016 (A)	Year ended March 31, 2017 (B)	Six months ended September 30, 2017 (C)	Change (C) - (B)	Change (C) - (A)	
1	Ordinary income	27,662	53,348	28,924	-	1,261
2	Net premiums written	18,393	34,069	18,641	-	247
	Change ratio	13.5 %	10.7 %	1.3 %	(9.4)%	(12.2)%
3	Life insurance premiums	6,610	12,531	5,111	-	(1,499)
	Change ratio	8.6 %	(7.6)%	(22.7)%	(15.1)%	(31.3)%
4	Ordinary profit	1,510	3,526	1,315	-	(194)
5	Net income attributable to owners of the parent	984	2,104	757	-	(226)

(Note) Ordinary income and net premiums written are presented exclusive of Good Result Return premiums of Mitsui Sumitomo Insurance's proprietary automobile insurance product "ModoRich", which contains a special clause related to premium adjustment and refund at maturity.

2. Other Information**(a) Non-performing assets****Risk-monitored loans**

(Yen in 100 millions)

	September 30, 2016	March 31, 2017	September 30, 2017
Loans to borrowers in bankruptcy	0	0	0
Overdue loans	1	1	1
Loans overdue for three months or more	5	3	2
Restructured loans	4	4	4
Total	12	9	8
Ratio to total loans	0.3 %	0.2 %	0.2 %

(Reference) Total loans	4,178	4,181	3,957
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Results of self-assessment of assets

(Yen in 100 millions)

	September 30, 2016	March 31, 2017	September 30, 2017
Non-classified	61,402	64,498	67,198
Category II	4,301	3,231	2,786
Category III	1	16	15
Category IV	25	29	26
Subtotal (Categories II - IV)	4,329	3,278	2,829
Total	65,731	67,776	70,027

(Note) "Total" represents the balances before write-off conducted based on self-assessment of assets (including impairment losses on securities and fixed assets).

(b) Impairment losses on securities

(Yen in 100 millions)

	Six months ended September 30, 2016	Year ended March 31, 2017	Six months ended September 30, 2017
Domestic bonds	-	-	-
Domestic stocks	0	0	0
Foreign securities	0	4	5
Other securities	-	-	4
Total	1	4	9

Rules for recognition of impairment

In principle, the Company recognizes impairment losses on securities with practically determinable fair value if the fair value declines by 30% or more from the cost.

(c) Impairment losses on fixed assets

(Yen in 100 millions)

	Six months ended September 30, 2016	Year ended March 31, 2017	Six months ended September 30, 2017
Land	0	1	0
Buildings	2	3	0
Others	-	0	-
Total	3	4	1

(d) Unrealized gains and losses on investments in securities

(Yen in 100 millions)

	September 30, 2016	March 31, 2017	September 30, 2017
Domestic bonds	1,947	1,548	1,492
Domestic stocks	9,574	11,278	12,653
Foreign securities	(74)	78	188
Other securities	37	34	29
Total	11,484	12,940	14,363

(Notes) 1. The above table describes available-for-sale securities with practically determinable fair value.

2. Monetary claims bought are included in "Other securities".

(e) Losses caused by natural disasters in Japan, excluding residential earthquake insurance

(Yen in 100 millions)

	Six months ended September 30, 2016	Year ended March 31, 2017	Six months ended September 30, 2017
Direct claims paid	94	335	45
Net claims paid	69	253	44
Outstanding claims	230	89	109

(Note) The above table describes losses caused by natural disasters in Japan incurred during the respective period.

(f) Catastrophe reserve

(Yen in 100 millions)

Lines of insurance	September 30, 2016			March 31, 2017			September 30, 2017		
	Balance	Reserve Ratio	Provision	Balance	Reserve Ratio	Provision	Balance	Reserve Ratio	Provision
Fire and allied	1,487	79.3 %	85	1,460	79.7 %	229	1,513	72.0 %	52
Marine	768	122.8 %	14	781	133.2 %	27	795	128.3 %	14
Personal accident	655	43.5 %	23	677	47.2 %	45	701	45.2 %	24
Voluntary automobile	486	7.3 %	106	589	9.0 %	209	697	10.4 %	107
Other	1,728	65.4 %	73	1,780	73.4 %	131	1,855	68.6 %	75
Total	5,126	38.6 %	302	5,288	41.3 %	642	5,562	40.7 %	274

(Notes) 1. Reserve ratio = catastrophe reserve / (net premiums written (excluding premiums of residential earthquake insurance and compulsory automobile liability insurance and Good Result Return premiums of the automobile insurance product "ModoRich")) x 100

Reserve ratio for September 30 is calculated on an annualized basis using net premiums written multiplied by two as a denominator.

2. Provision = gross provision

(g) Reinsurance assumed

(Yen in 100 millions)

Lines of insurance	Six months ended September 30, 2016		Six months ended September 30, 2017	
	Net reinsurance assumed premiums written	Net reinsurance assumed claims paid	Net reinsurance assumed premiums written	Net reinsurance assumed claims paid
Fire and allied	174	159	174	103
Marine	80	44	83	29
Personal accident	3	3	3	3
Voluntary automobile	27	6	29	4
Compulsory automobile liability	711	685	736	678
Other	86	67	92	76
Total	1,082	965	1,118	896

(h) Reinsurance ceded

(Yen in 100 millions)

Lines of insurance	Six months ended September 30, 2016		Six months ended September 30, 2017	
	Net reinsurance ceded premiums written	Net reinsurance ceded claims paid	Net reinsurance ceded premiums written	Net reinsurance ceded claims paid
Fire and allied	536	505	535	194
Marine	197	92	196	52
Personal accident	55	26	55	29
Voluntary automobile	42	20	42	21
Compulsory automobile liability	650	642	619	642
Other	269	101	293	127
Total	1,751	1,389	1,743	1,068

(2) Aioi Nissay Dowa Insurance Co., Ltd. (Non-consolidated)

1. Basic Information

(Yen in 100 millions)

	Six months ended September 30, 2016 (A)	Year ended March 31, 2017 (B)	Six months ended September 30, 2017 (C)	Change (C) - (B)	Change (C) - (A)	
1	Net premiums written	6,094	12,005	6,301	-	207
	Change ratio	(0.7)%	0.7 %	3.4 %	2.7 %	4.1 %
2	Total assets	33,847	34,982	36,037	1,054	2,189
3	Net loss ratio	56.7 %	59.1 %	53.2 %	(5.9)%	(3.5)%
4	Net expense ratio	33.0 %	33.5 %	32.5 %	(1.0)%	(0.5)%
5	Combined ratio	89.7 %	92.6 %	85.7 %	(6.9)%	(4.0)%
	Underwriting result ratio	10.3 %	7.4 %	14.3 %	6.9 %	4.0 %
6	Voluntary automobile insurance					
	Net premiums written	3,456	6,804	3,470	-	14
	Change ratio	1.8 %	1.3 %	0.4 %	(0.9)%	(1.4)%
	Underwriting result ratio	13.3 %	9.9 %	14.2 %	4.3 %	0.9 %
	Net loss ratio	53.7 %	56.8 %	54.0 %	(2.8)%	0.3 %
	Net expense ratio	33.0 %	33.3 %	31.8 %	(1.5)%	(1.2)%
7	Fire and allied insurance					
	Net premiums written	750	1,530	909	-	159
	Change ratio	(15.9)%	(8.7)%	21.2 %	29.9 %	37.1 %
	Underwriting result ratio	4.4 %	1.6 %	19.1 %	17.5 %	14.7 %
	Net loss ratio	55.1 %	56.2 %	41.6 %	(14.6)%	(13.5)%
	Net expense ratio	40.5 %	42.2 %	39.3 %	(2.9)%	(1.2)%
8	Number of employees	13,111	13,052	13,453	401	342
9	Number of agencies	53,755	53,055	49,005	(4,050)	(4,750)

(Notes) 1. Net loss ratio = (net claims paid + loss adjustment expenses) / net premiums written x 100

2. Net expense ratio = (commissions and collection expenses + operating expenses and general administrative expenses for underwriting) / net premiums written x 100

3. Combined ratio = net loss ratio + net expense ratio

4. Underwriting result ratio = 100 - combined ratio

(Reference) Consolidated Business Performance of MS&AD Insurance Group Holdings, Inc.

Please refer to page 35.

2. Other Information**(a) Non-performing assets****Risk-monitored loans**

(Yen in 100 millions)

	September 30, 2016	March 31, 2017	September 30, 2017
Loans to borrowers in bankruptcy	0	0	1
Overdue loans	3	5	3
Loans overdue for three months or more	3	1	2
Restructured loans	12	11	10
Total	20	19	18
Ratio to total loans	0.9 %	0.9 %	0.9 %

(Reference) Total loans	2,151	2,109	2,042
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Results of self-assessment of assets

(Yen in 100 millions)

	September 30, 2016	March 31, 2017	September 30, 2017
Non-classified	33,093	34,340	35,497
Category II	559	505	471
Category III	0	0	0
Category IV	18	73	25
Subtotal (Categories II - IV)	577	580	498
Total	33,671	34,921	35,995

(Note) "Total" represents the balances before write-off conducted based on self-assessment of assets (including impairment losses on securities and fixed assets).

(b) Impairment losses on securities

(Yen in 100 millions)

	Six months ended September 30, 2016	Year ended March 31, 2017	Six months ended September 30, 2017
Domestic bonds	-	-	-
Domestic stocks	7	6	0
Foreign securities	-	43	0
Other securities	-	-	2
Total	7	49	2

Rules for recognition of impairment

In principle, the Company recognizes impairment losses on securities with practically determinable fair value if the fair value declines by 30% or more from the cost.

(c) Impairment losses on fixed assets

(Yen in 100 millions)

	Six months ended September 30, 2016	Year ended March 31, 2017	Six months ended September 30, 2017
Land	21	21	2
Buildings	21	34	15
Others	1	1	-
Total	44	57	18

(d) Unrealized gains and losses on investments in securities

(Yen in 100 millions)

	September 30, 2016	March 31, 2017	September 30, 2017
Domestic bonds	841	648	632
Domestic stocks	2,920	3,913	4,657
Foreign securities	408	433	513
Other securities	33	56	75
Total	4,203	5,052	5,878

(Notes) 1. The above table describes available-for-sale securities with practically determinable fair value.

2. Monetary claims bought are included in "Other securities".

(e) Losses caused by natural disasters in Japan, excluding residential earthquake insurance

(Yen in 100 millions)

	Six months ended September 30, 2016	Year ended March 31, 2017	Six months ended September 30, 2017
Direct claims paid	54	173	27
Net claims paid	48	142	27
Outstanding claims	109	25	66

(Note) The above table describes losses caused by natural disasters in Japan incurred during the respective period.

(f) Catastrophe reserve

(Yen in 100 millions)

Lines of insurance	September 30, 2016			March 31, 2017			September 30, 2017		
	Balance	Reserve Ratio	Provision	Balance	Reserve Ratio	Provision	Balance	Reserve Ratio	Provision
Fire and allied	1,182	79.1 %	61	1,265	83.0 %	144	1,340	73.9 %	74
Marine	138	240.4 %	0	139	254.7 %	0	139	153.9 %	0
Personal accident	642	98.4 %	10	651	106.1 %	19	661	102.3 %	10
Voluntary automobile	409	5.9 %	110	438	6.5 %	217	550	7.9 %	111
Other	625	45.1 %	33	641	48.8 %	62	675	50.5 %	33
Total	2,998	28.5 %	216	3,136	30.4 %	445	3,367	31.1 %	230

(Notes) 1. Reserve ratio = catastrophe reserve / (net premiums written (excluding premiums of residential earthquake insurance and compulsory automobile liability insurance)) x 100

Reserve ratio for September 30 is calculated on an annualized basis using net premiums written multiplied by two as a denominator.

2. Provision = gross provision

(g) Reinsurance assumed

(Yen in 100 millions)

Lines of insurance	Six months ended September 30, 2016		Six months ended September 30, 2017	
	Net reinsurance assumed premiums written	Net reinsurance assumed claims paid	Net reinsurance assumed premiums written	Net reinsurance assumed claims paid
Fire and allied	200	81	285	53
Marine	29	14	46	14
Personal accident	12	6	15	8
Voluntary automobile	125	52	142	74
Compulsory automobile liability	607	609	627	591
Other	160	108	216	117
Total	1,136	873	1,333	860

(h) Reinsurance ceded

(Yen in 100 millions)

Lines of insurance	Six months ended September 30, 2016		Six months ended September 30, 2017	
	Net reinsurance ceded premiums written	Net reinsurance ceded claims paid	Net reinsurance ceded premiums written	Net reinsurance ceded claims paid
Fire and allied	368	446	367	63
Marine	0	0	1	0
Personal accident	30	8	32	9
Voluntary automobile	11	4	12	4
Compulsory automobile liability	687	675	647	663
Other	199	115	306	143
Total	1,298	1,252	1,367	884