

SUMMARY OF FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED JUNE 30, 2017

August 9, 2017

Name of Listed Company: **MS&AD Insurance Group Holdings, Inc.**
 Stock Exchange Listing: Tokyo Stock Exchange and Nagoya Stock Exchange
 Securities Code Number: 8725
 URL: <http://www.ms-ad-hd.com>
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Scheduled date to file the Quarterly Securities Report: August 9, 2017
 Scheduled date to commence dividend payments: -
 Explanatory material for business results: Available
 IR Conference (for institutional investors and analysts): To be held

(Note) Amounts of less than one million yen are truncated.

1. Consolidated Financial Highlights for the Three Months Ended June 30, 2017 (April 1, 2017 to June 30, 2017)

(1) Consolidated business performance

(Yen in millions)

	Ordinary income		Ordinary profit		Net income attributable to owners of the parent	
Three months ended June 30, 2017	1,480,971	7.2 %	124,559	153.1 %	91,671	140.9 %
Three months ended June 30, 2016	1,381,872	17.1 %	49,220	(62.5) %	38,060	(60.9) %

Percent figures represent changes from the corresponding period of the preceding year.

(Note) Comprehensive income For the three months ended June 30, 2017: ¥ 131,356 million - %
 For the three months ended June 30, 2016: ¥ (190,279) million - %

(Yen)

	Net income attributable to owners of the parent per share - Basic	Net income attributable to owners of the parent per share - Diluted
Three months ended June 30, 2017	154.82	154.80
Three months ended June 30, 2016	63.14	-

(2) Consolidated financial conditions

(Yen in millions)

	Total assets	Net assets	Ratio of net assets less non-controlling interests to total assets
June 30, 2017	21,598,862	2,822,704	13.0 %
March 31, 2017	21,234,300	2,734,432	12.8 %

(Reference) Net assets less non-controlling interests As of June 30, 2017: ¥ 2,798,658 million
 As of March 31, 2017: ¥ 2,708,978 million

2. Dividends

(Yen)

	Dividends per share				
	1st quarter	2nd quarter	3rd quarter	4th quarter	Annual total
Year ended March 31, 2017	-	50.00	-	70.00	120.00
Year ending March 31, 2018	-				
Year ending March 31, 2018 (Forecast)		65.00	-	65.00	130.00

(Note) Revision of the latest announced dividends per share forecast: None

3. Consolidated Earnings Forecasts for the Year Ending March 31, 2018 (April 1, 2017 to March 31, 2018)

(Yen in millions)

	Ordinary profit		Net income attributable to owners of the parent		Net income attributable to owners of the parent per share (Yen)
Year ending March 31, 2018	345,000	(2.2) %	245,000	16.4 %	413.56

Percent figures represent changes from the preceding year.

(Note) Revision of the latest announced earnings forecasts: None

*** Notes**

(1) Changes in significant subsidiaries for the period (changes in specified subsidiaries resulting in changes in scope of consolidation): None

(2) Adoption of special accounting methods allowed to be applied to quarterly consolidated financial statements: Yes
(Note) For details, please refer to "Adoption of Special Accounting Methods Allowed to be Applied to Quarterly Consolidated Financial Statements" on page 6 of the Appendix.

(3) Changes in accounting policies and accounting estimates and restatements

1. Changes in accounting policies due to revisions of accounting standards: None
2. Changes in accounting policies other than above: None
3. Changes in accounting estimates: None
4. Restatements: None

(4) Number of shares of issued stock (common stock)

1. Number of shares of issued stock (including treasury stock)

As of June 30, 2017: 593,291,754 shares

As of March 31, 2017: 633,291,754 shares

2. Number of shares of treasury stock

As of June 30, 2017: 869,185 shares

As of March 31, 2017: 40,884,055 shares

3. Average number of shares of outstanding stock

For the three months ended June 30, 2017: 592,085,132 shares

For the three months ended June 30, 2016: 602,728,981 shares

*** This report is outside the scope of the external auditor's quarterly review.**

*** Notes to the earnings forecasts**

Any earnings forecasts in this report have been made based on the information available to the Company as of the disclosure date of the report and certain assumptions, and therefore do not guarantee future performance. Actual results may differ substantially from these forecasts depending on various factors. The forecasts of consolidated ordinary income for the current fiscal year and consolidated earnings for the second quarter (cumulative) are not disclosed due to difficulties in calculating reasonable forecast figures stemming from a high susceptibility to natural disasters and market conditions.

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1. Qualitative Information on Business Results

(1) Explanation for Business Performance

During the three months ended June 30, 2017, the global economy has been on a gradual recovery trend with a continuing recovery in the US and Europe. Asian economy also showed the bright sign for a recovery.

Japanese economy also moderately recovered with an improvement in corporate earnings and a turning the corner in consumer spending.

Under these conditions, the business performance of the Group for the three months ended June 30, 2017 was as follows.

Underwriting income was ¥1,246.6 billion (of which net premiums written were ¥954.3 billion), investment income was ¥229.4 billion and other ordinary income was ¥4.8 billion, resulting in total ordinary income of ¥1,480.9 billion. Ordinary expenses amounted to ¥1,356.4 billion. This breaks down into underwriting expenses of ¥1,181.1 billion (of which net claims paid were ¥445.9 billion), investment expenses of ¥9.6 billion, operating expenses and general and administrative expenses of ¥161.5 billion and other ordinary expenses of ¥4.1 billion.

As a result, the Company posted an ordinary profit of ¥124.5 billion, marking an increase of ¥75.3 billion from the same period last year. After factoring in extraordinary income and losses, income taxes and other factors, net income attributable to owners of the parent of ¥91.6 billion was reported with an increase of ¥53.6 billion year on year.

(2) Explanation for Financial Conditions

As of June 30, 2017, total assets stood at ¥21,598.8 billion with an increase of ¥364.5 billion from March 31, 2017. Investments in securities stood at ¥15,591.9 billion with an increase of ¥288.8 billion from March 31, 2017.

(3) Explanation for Future Forecast Information including Consolidated Earnings Forecasts

The Company keeps the previously announced forecasts of ordinary profit of ¥345.0 billion and net income attributable to owners of the parent of ¥245.0 billion on a consolidated basis for the year ending March 31, 2018 unchanged.

2. Consolidated Financial Statements and Main Notes

(1) Consolidated Balance Sheets

(Yen in millions)

	March 31, 2017	June 30, 2017
Assets		
Cash, deposits and savings	1,419,267	1,426,762
Call loans	15,000	15,000
Receivables under resale agreements	6,999	6,999
Receivables under securities borrowing transactions	285,455	228,668
Monetary claims bought	111,320	124,291
Money trusts	971,119	1,014,277
Investments in securities	15,303,103	15,591,919
Loans	886,316	894,178
Tangible fixed assets	464,955	459,896
Intangible fixed assets	417,156	402,402
Other assets	1,225,719	1,308,231
Assets for retirement benefits	32,452	32,082
Deferred tax assets	55,660	54,399
Customers' liabilities under acceptances and guarantees	50,530	49,530
Bad debt reserve	(10,756)	(9,776)
Total assets	21,234,300	21,598,862
Liabilities		
Policy liabilities:	16,156,153	16,493,412
Outstanding claims	1,982,354	1,954,305
Underwriting reserves	14,173,799	14,539,106
Bonds issued	456,191	456,191
Other liabilities	1,226,769	1,164,538
Liabilities for pension and retirement benefits	190,562	191,708
Reserve for retirement benefits for officers	640	586
Accrued bonuses for employees	28,396	9,984
Reserve for reorganization by function	22,097	20,086
Reserves under the special laws:	194,960	197,166
Reserve for price fluctuation	194,960	197,166
Deferred tax liabilities	173,566	192,953
Acceptances and guarantees	50,530	49,530
Total liabilities	18,499,867	18,776,158
Net assets		
Shareholders' equity:		
Common stock	100,000	100,000
Capital surplus	669,458	551,757
Retained earnings	775,877	826,080
Treasury stock	(120,050)	(2,553)
Total shareholders' equity	1,425,285	1,475,284
Accumulated other comprehensive income:		
Net unrealized gains/(losses) on investments in securities	1,360,859	1,424,534
Net deferred gains/(losses) on hedges	23,472	23,430
Foreign currency translation adjustments	(91,219)	(116,138)
Accumulated actuarial gains/(losses) on retirement benefits	(9,420)	(8,451)
Total accumulated other comprehensive income	1,283,692	1,323,374
Stock acquisition rights	307	254
Non-controlling interests	25,147	23,791
Total net assets	2,734,432	2,822,704
Total liabilities and net assets	21,234,300	21,598,862

(2) Consolidated Statements of Income and Comprehensive Income
(Consolidated Statements of Income)

(Yen in millions)

	Three months ended June 30, 2016	Three months ended June 30, 2017
Ordinary income:	1,381,872	1,480,971
Underwriting income:	1,287,979	1,246,601
Net premiums written	944,246	954,386
Deposit premiums from policyholders	27,127	22,958
Investment income on deposit premiums from policyholders	12,203	11,000
Life insurance premiums	302,839	247,263
Reversal of outstanding claims	-	8,524
Investment income:	89,795	229,471
Interest and dividends income	76,907	85,335
Investment gains on money trusts	603	23,705
Investment gains on trading securities	2,223	10,682
Gains on sales of securities	19,081	35,053
Investment gains on separate accounts	-	74,698
Transfer of investment income on deposit premiums from policyholders	(12,203)	(11,000)
Other ordinary income	4,097	4,898
Ordinary expenses:	1,332,651	1,356,411
Underwriting expenses:	848,520	1,181,103
Net claims paid	424,222	445,959
Loss adjustment expenses	41,286	40,928
Commissions and collection expenses	177,437	175,000
Maturity refunds to policyholders	56,410	55,640
Life insurance claims	79,032	86,440
Provision for outstanding claims	34,599	-
Provision for underwriting reserves	25,876	375,795
Investment expenses:	312,454	9,619
Investment losses on money trusts	59,884	-
Losses on sales of securities	3,784	2,107
Impairment losses on securities	6,734	813
Investment losses on separate accounts	87,153	-
Operating expenses and general and administrative expenses	167,222	161,534
Other ordinary expenses:	4,453	4,153
Interest expense	2,297	2,545
Ordinary profit	49,220	124,559
Extraordinary income:	21,107	76
Gains on sales of fixed assets	488	76
Reversal of reserves under the special law:	20,618	-
Reversal of reserve for price fluctuation	20,618	-
Extraordinary losses:	23,115	3,443
Losses on sales of fixed assets	265	563
Impairment losses on fixed assets	1,903	667
Provision for reserves under the special laws:	-	2,206
Provision for reserve for price fluctuation	-	2,206
Losses on reductions of real estates	-	6
Other extraordinary losses	20,947	-
Income before income taxes	47,212	121,192
Income taxes	8,582	29,147
Net income	38,629	92,045
Net income attributable to non-controlling interests	569	373
Net income attributable to owners of the parent	38,060	91,671

(Consolidated Statements of Comprehensive Income)

(Yen in millions)

	Three months ended June 30, 2016	Three months ended June 30, 2017
Net income	38,629	92,045
Other comprehensive income:		
Net unrealized gains/(losses) on investments in securities	(157,117)	62,415
Net deferred gains/(losses) on hedges	1,862	14
Foreign currency translation adjustments	(73,079)	(24,059)
Accumulated actuarial gains/(losses) on retirement benefits	305	966
Share of other comprehensive income of equity method investments	(879)	(26)
Total other comprehensive income	<u>(228,909)</u>	<u>39,311</u>
Total comprehensive income	<u>(190,279)</u>	<u>131,356</u>
Allocation:		
Comprehensive income attributable to owners of the parent	(190,780)	131,353
Comprehensive income attributable to non-controlling interests	500	3

(3) Notes to Consolidated Financial Statements

(Notes to Going Concern Assumptions)

Not applicable.

(Notes to Significant Changes in Shareholders' Equity)

Cancellation of treasury stock

On June 30, 2017, the Company cancelled its treasury stock in accordance with the resolution approved at the Board Meeting held on May 19, 2017. As a result, the balances of capital surplus and treasury stock as of June 30, 2017 were ¥551,757 million and ¥2,553 million respectively, with decreases of ¥117,455 million for the three months ended June 30, 2017.

(Adoption of Special Accounting Methods Allowed to be Applied to Quarterly Consolidated Financial Statements)

(Calculation of income tax expenses)

The domestic consolidated companies calculate their income tax expenses primarily by multiplying income before income taxes by the effective income tax rate, after adding or deducting the permanent difference if this amount is significant.

Explanatory Material for Business Results

1. Summary of Consolidated Business Results

(1) Consolidated Business Performance

(Yen in 100 millions)

	Items	Three months ended June 30, 2016	Three months ended June 30, 2017	Change	Change ratio
Ordinary income and expenses:					
Underwriting income:	1	12,880	12,474	(405)	(3.1) %
Net premiums written	2	9,442	9,552	110	1.2
Deposit premiums from policyholders	3	271	229	(41)	(15.4)
Life insurance premiums	4	3,028	2,472	(555)	(18.4)
Reversal of outstanding claims	5	-	85	85	-
Underwriting expenses:	6	8,485	11,819	3,334	39.3
Net claims paid	7	4,242	4,459	217	5.1
Loss adjustment expenses	8	412	409	(3)	(0.9)
Commissions and collection expenses	9	1,774	1,750	(24)	(1.4)
Maturity refunds to policyholders	10	564	556	(7)	(1.4)
Life insurance claims	11	790	864	74	9.4
Provision for outstanding claims	12	345	-	(345)	(100.0)
Provision for underwriting reserves	13	259	3,766	3,507	1,354.1
Investment income:	14	897	2,294	1,396	155.5
Interest and dividends income	15	769	853	84	11.0
Investment gains on money trusts	16	6	237	231	3,825.7
Gains on sales of securities	17	190	350	159	83.7
Investment gains on separate accounts	18	-	746	746	-
Investment expenses:	19	3,124	96	(3,028)	(96.9)
Investment losses on money trusts	20	598	-	(598)	(100.0)
Losses on sales of securities	21	37	21	(16)	(44.3)
Impairment losses on securities	22	67	8	(59)	(87.9)
Investment losses on separate accounts	23	871	-	(871)	(100.0)
Operating expenses and general and administrative expenses	24	1,672	1,615	(56)	(3.4)
Other ordinary income and expenses:	25	(3)	7	11	-
Gains/(losses) on equity method investments	26	(4)	3	7	-
Ordinary profit	27	492	1,245	753	153.1
Extraordinary income and losses:					
Extraordinary income	28	211	0	(210)	(99.6)
Extraordinary losses	29	231	34	(196)	(85.1)
Extraordinary income/(losses)	30	(20)	(33)	(13)	-
Income before income taxes	31	472	1,211	739	156.7
Income taxes	32	85	291	205	239.6
Net income	33	386	920	534	138.3
Net income attributable to non-controlling interests	34	5	3	(1)	(34.4)
Net income attributable to owners of the parent	35	380	916	536	140.9

(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 three months ended June 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 ¥20.9 billion.

(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	Three months ended June 30, 2016	Three months ended June 30, 2017	Change	Change ratio
Net premiums written ^(Note 1)	1	9,442	9,552	110	1.2
Mitsui Sumitomo Insurance ^(Note 1)	2	3,626	3,770	143	3.9
Aioi Nissay Dowa Insurance	3	3,004	3,122	117	3.9
Mitsui Direct General Insurance	4	93	94	1	1.3
Overseas insurance subsidiaries	5	2,703	2,552	(150)	(5.6)
Ordinary profit	6	492	1,245	753	153.1
Mitsui Sumitomo Insurance	7	418	878	460	109.9
Aioi Nissay Dowa Insurance	8	255	309	54	21.2
Net income attributable to owners of the parent	9	380	916	536	140.9
Mitsui Sumitomo Insurance	10	322	666	344	106.7
Aioi Nissay Dowa Insurance	11	160	224	63	39.5
Mitsui Direct General Insurance	12	9	12	2	31.8
Mitsui Sumitomo Aioi Life Insurance	13	17	24	6	39.2
Mitsui Sumitomo Primary Life Insurance	14	55	34	(21)	(39.2)
Overseas insurance subsidiaries	15	75	49	(25)	(34.1)
Others	16	(1)	7	8	-
Consolidation adjustments and holding company	17	(259)	(102)	157	-

(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 16 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	Three months ended June 30, 2016	Three months ended June 30, 2017	Change	Change ratio
Net premiums written	1	2,703	2,552	(150)	(5.6)
Asia	2	407	408	1	0.3
Europe:	3	2,172	2,011	(161)	(7.4)
MS Amlin ^(Note)	4	2,016	1,849	(166)	(8.3)
Americas	5	123	133	9	7.7
Net income attributable to owners of the parent	6	75	49	(25)	(34.1)
Asia	7	25	28	3	12.4
Europe:	8	46	19	(26)	(58.2)
MS Amlin ^(Note)	9	64	24	(40)	(62.6)
Americas	10	3	1	(1)	(61.3)

(Note) The figures of "MS Amlin" for the three months ended June 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	Three months ended June 30, 2016	Three months ended June 30, 2017	Change	Change ratio	Year ended March 31, 2017
Amount of new policies						
Mitsui Sumitomo Aioi Life Insurance	1	4,957	6,298	1,341	27.1 %	23,771
Mitsui Sumitomo Primary Life Insurance	2	2,335	2,131	(204)	(8.7) %	10,322
Amount of policies in force						
Mitsui Sumitomo Aioi Life Insurance	3	226,437	233,210	1,067	0.5 %	232,142
Mitsui Sumitomo Primary Life Insurance	4	47,437	58,620	1,812	3.2 %	56,807
Annualized premiums for policies in force						
Mitsui Sumitomo Aioi Life Insurance	5	3,792	4,028	17	0.4 %	4,010
Mitsui Sumitomo Primary Life Insurance	6	4,703	5,309	(11)	(0.2) %	5,321

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

2. "Changes" and "Change ratio" make comparisons with the three months ended June 30, 2016 for items 1 and 2 and the year ended March 31, 2017 for items 3 to 6.

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	Three months ended June 30, 2016	Three months ended June 30, 2017	Change	Change ratio
(+)	Net premiums written	3,626	3,770	143	3.9
(-)	Net claims paid	1,844	1,915	71	3.9
(-)	Loss adjustment expenses	219	213	(6)	(3.1)
(-)	Commissions and collection expenses	637	658	21	3.4
(-)	Operating expenses and general and administrative expenses for underwriting	529	516	(12)	(2.4)
	Underwriting profit before movements in reserves	396	465	69	17.6
(-)	Movement in outstanding claims	163	(58)	(222)	(135.6)
(-)	Movement in ordinary underwriting reserves	(68)	83	152	-
(-)	Movement in catastrophe reserve	127	124	(3)	(2.6)
(+)	Other	(14)	4	18	-
	Underwriting profit	159	320	161	101.5
(+)	Interest and dividends income	347	378	30	8.9
(-)	Transfer of investment income on deposit premiums from policyholders	93	85	(8)	(8.6)
	Net interest and dividends income (item 12 - item 13)	254	293	38	15.3
(+)	Gains/(losses) on sales of securities	113	271	158	139.9
(-)	Impairment losses on securities	15	5	(9)	(65.3)
(+)	Other	(93)	(4)	89	-
	Investment profit	259	555	296	114.4
(+)	Other ordinary profit/(loss)	0	2	2	467.8
	Ordinary profit	418	878	460	109.9
(+)	Extraordinary income/(losses):	(14)	(11)	3	-
	Gains/(losses) on reserve for price fluctuation	(8)	(9)	(0)	-
	Income before income taxes	404	867	463	114.6
(-)	Income taxes	81	200	119	146.1
	Net income	322	666	344	106.7

Ratios	Net loss ratio	26	56.9 %	56.5 %	(0.4) %	
	Net expense ratio	27	32.2 %	31.2 %	(1.0) %	
	Combined ratio	28	89.1 %	87.7 %	(1.4) %	

- (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	29	3,209	3,306	96	3.0
Ratios	Net loss ratio	30	52.6 %	53.6 %	1.0 %	
	Net expense ratio	31	33.9 %	33.0 %	(0.9) %	
	Combined ratio	32	86.5 %	86.6 %	0.1 %	

* 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)			
	Three months ended June 30, 2016		Three months ended June 30, 2017		Three months ended June 30, 2016		Three months ended June 30, 2017	
	Amount	Change ratio %	Amount	Change ratio %	Amount	Change ratio %	Amount	Change ratio %
Fire and allied	366	(23.6)	433	18.2	616	(12.9)	649	5.3
Marine	158	(12.0)	151	(4.6)	245	(11.6)	249	1.6
Personal accident	387	1.9	399	3.0	415	3.6	427	3.1
Voluntary automobile	1,676	1.5	1,692	1.0	1,682	1.7	1,696	0.9
CALI	415	(3.6)	462	11.3	433	(2.5)	441	1.8
Other	622	8.1	631	1.5	712	7.9	737	3.5
Total	3,626	(2.0)	3,770	3.9	4,105	(1.0)	4,202	2.4

(3) Net claims paid

(Yen in 100 millions)

	Three months ended June 30, 2016			Three months ended June 30, 2017			
	Amount	Change ratio %	Net loss ratio %	Amount	Change ratio %	Net loss ratio %	Change %
Fire and allied	253	(12.1)	72.0	275	8.7	66.0	(6.0)
Marine	81	2.2	54.4	79	(2.1)	55.5	1.1
Personal accident	175	(5.3)	49.6	175	0.3	48.4	(1.2)
Voluntary automobile	744	(4.6)	52.7	792	6.5	54.7	2.0
CALI	342	4.3	90.3	324	(5.1)	77.3	(13.0)
Other	247	6.3	42.1	267	8.0	44.7	2.6
Total	1,844	(2.6)	56.9	1,915	3.9	56.5	(0.4)

(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)

	Three months ended June 30, 2016			Three months ended June 30, 2017		
	Incurred losses	Net claims paid	Outstanding claims	Incurred losses	Net claims paid	Outstanding claims
Fire and allied	119	18	100	8	4	3
Voluntary automobile	2	1	1	0	0	0
Other	3	0	2	0	0	0
Total	124	20	103	9	4	4

(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 three months ended June 30, 2016 include incurred losses related to the Kumamoto earthquakes, which exclude residential earthquake insurance, as follows:

Incurred losses ¥9.1 billion, Net claims paid ¥2.0 billion and Outstanding claims ¥8.9 billion.

(4) Expenses

<Company expenses>

(Yen in 100 millions)

	Items	Three months ended June 30, 2016			Three months ended June 30, 2017		
		Amount	Change	Change ratio %	Amount	Change	Change ratio %
Personnel expenses	1	464	9	2.2	438	(26)	(5.6)
Non-personnel expenses	2	278	16	6.4	285	7	2.7
Taxes and contributions	3	32	(0)	(1.2)	32	(0)	(0.2)
Total	4	774	26	3.5	756	(18)	(2.4)

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

<Expenses for underwriting>

(Yen in 100 millions)

	Items	Three months ended June 30, 2016			Three months ended June 30, 2017		
		Amount	Change	Change ratio %	Amount	Change	Change ratio %
Operating expenses and general and administrative expenses	5	529	20	4.0	516	(12)	(2.4)
Commissions and collection expenses	6	637	(22)	(3.4)	658	21	3.4
Total	7	1,166	(2)	(0.2)	1,175	8	0.7
Net expense ratio	8	32.2 %	0.6 %		31.2 %	(1.0) %	

(5) Catastrophe reserve

(Yen in 100 millions)

	March 31, 2017		June 30, 2017			
	Balance	Reserve ratio	Reversal	Provision	Balance	Reserve ratio
		%				%
Fire and allied	1,460	79.7	3	21	1,478	85.7
Marine	781	133.2	0	6	788	130.0
Personal accident	677	47.2	-	12	689	43.2
Voluntary automobile	589	9.0	-	54	644	9.5
Other	1,780	73.4	0	33	1,813	71.8
Total	5,288	41.3	3	128	5,413	40.9

(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 June 30, 2017 is calculated on an annualized basis using net premiums written multiplied by four as a denominator.

(6) Investment assets

(Yen in 100 millions)

	March 31, 2017	June 30, 2017	
			Change
Cash, deposits and savings	4,198	4,785	587
Investments in securities:	52,946	53,189	242
Domestic bonds	18,479	18,075	(403)
Domestic stocks	18,068	18,313	244
Foreign securities	16,048	16,446	397
Other securities	349	354	4
Loans	4,181	4,006	(174)
Land and buildings	2,000	1,984	(15)
Total	63,327	63,966	639

(Reference)

Long-term investment assets	12,959	12,784	(175)
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(7) Breakdown of interest and dividends income

(Yen in 100 millions)

	Three months ended June 30, 2016	Three months ended June 30, 2017	
			Change
Investments in securities:	315	349	34
Domestic bonds	49	48	(1)
Domestic stocks	224	222	(2)
Foreign securities	40	72	32
Other securities	0	6	5
Loans	13	10	(2)
Land and buildings	15	16	0
Other	3	2	(1)
Total	347	378	30

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

(Yen in 100 millions)

June 30, 2017	Cost	Fair value	Difference	Change from
				March 31, 2017
Domestic bonds	16,569	18,075	1,506	(42)
Domestic stocks	6,311	17,960	11,649	370
Foreign securities	4,804	4,940	136	58
Other securities	277	306	29	(5)
Total	27,962	41,283	13,321	380

(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)

	Three months ended June 30, 2016 Gains/(losses)	Three months ended June 30, 2017		
		Gains/(losses)	Gains	Losses
Domestic bonds	1	1	2	0
Domestic stocks	112	273	273	0
Foreign securities	(1)	(3)	5	8
Other securities	-	-	-	-
Total	113	271	280	8

Impairment losses on securities

(Yen in 100 millions)

	Three months ended June 30, 2016	Three months ended June 30, 2017	
			Change
Domestic bonds	-	-	-
Domestic stocks	14	-	(14)
Foreign securities	0	5	4
Other securities	-	-	-
Total	15	5	(9)

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

(1) Business Performance

(Yen in 100 millions)

	Items	Three months ended June 30, 2016	Three months ended June 30, 2017	Change	Change ratio %
(+)	Net premiums written	3,004	3,122	117	3.9
(-)	Net claims paid	1,492	1,494	2	0.2
(-)	Loss adjustment expenses	145	148	2	1.8
(-)	Commissions and collection expenses	585	620	34	5.9
(-)	Operating expenses and general and administrative expenses for underwriting	440	428	(12)	(2.8)
	Underwriting profit before movements in reserves	340	431	90	26.6
(-)	Movement in outstanding claims	68	25	(43)	(63.3)
(-)	Movement in ordinary underwriting reserves	15	150	134	874.4
(-)	Movement in catastrophe reserve	107	113	6	6.2
(+)	Other	(61)	16	78	-
	Underwriting profit	87	159	71	81.2
(+)	Interest and dividends income	178	193	15	8.8
(-)	Transfer of investment income on deposit premiums from policyholders	47	42	(5)	(10.6)
	Net interest and dividends income (item 12 - item 13)	130	151	20	15.8
(+)	Gains/(losses) on sales of securities	47	18	(28)	(59.9)
(-)	Impairment losses on securities	10	0	(9)	(96.1)
(+)	Other	(23)	(27)	(3)	-
	Investment profit	143	142	(1)	(1.1)
(+)	Other ordinary profit/(loss)	23	8	(15)	(64.9)
	Ordinary profit	255	309	54	21.2
(+)	Extraordinary income/(losses):	(53)	(14)	38	-
	Gains/(losses) on reserve for price fluctuation	(4)	(4)	(0)	-
	Income before income taxes	202	295	92	45.8
(-)	Income taxes	41	70	29	70.2
	Net income	160	224	63	39.5

Ratios	Net loss ratio	26	54.5 %	52.6 %	(1.9) %	
	Net expense ratio	27	34.2 %	33.6 %	(0.6) %	
	Combined ratio	28	88.7 %	86.2 %	(2.5) %	

- (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	29	2,621	2,701	80	3.1
Ratios	Net loss ratio	30	49.8 %	49.3 %	(0.5) %	
	Net expense ratio	31	35.7 %	35.0 %	(0.7) %	
	Combined ratio	32	85.5 %	84.3 %	(1.2) %	

(2) Premiums written

(Yen in 100 millions)

	Net premiums written				Direct premiums written (excluding deposit premiums from policyholders)			
	Three months ended June 30, 2016		Three months ended June 30, 2017		Three months ended June 30, 2016		Three months ended June 30, 2017	
	Amount	Change ratio %	Amount	Change ratio %	Amount	Change ratio %	Amount	Change ratio %
Fire and allied	323	(5.0)	402	24.4	440	(16.9)	469	6.5
Marine	12	(7.2)	18	46.7	(0)	-	(0)	-
Personal accident	168	(5.5)	166	(0.7)	179	(4.1)	178	(0.5)
Voluntary automobile	1,770	2.0	1,767	(0.1)	1,698	0.9	1,696	(0.1)
CALI	381	(4.8)	419	9.9	465	(3.0)	466	0.2
Other	348	14.9	346	(0.4)	379	7.8	398	5.0
Total	3,004	1.1	3,122	3.9	3,162	(2.1)	3,208	1.5

(3) Net claims paid

(Yen in 100 millions)

	Three months ended June 30, 2016			Three months ended June 30, 2017			
	Amount	Change ratio %	Net loss ratio %	Amount	Change ratio %	Net loss ratio %	Change %
Fire and allied	165	3.8	53.1	181	9.9	47.2	(5.9)
Marine	5	(33.2)	45.5	7	32.3	41.1	(4.4)
Personal accident	66	(15.6)	43.5	65	(0.9)	43.5	0.0
Voluntary automobile	799	(4.8)	50.6	818	2.4	51.8	1.2
CALI	305	2.2	87.1	284	(6.9)	74.0	(13.1)
Other	150	17.1	45.7	136	(8.9)	42.2	(3.5)
Total	1,492	(1.4)	54.5	1,494	0.2	52.6	(1.9)

(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)

	Three months ended June 30, 2016			Three months ended June 30, 2017		
	Incurred losses	Net claims paid	Outstanding claims	Incurred losses	Net claims paid	Outstanding claims
Fire and allied	55	13	42	0	0	0
Voluntary automobile	2	0	1	1	0	1
Other	1	0	1	0	-	0
Total	58	14	44	1	0	1

(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 three months ended June 30, 2016 include incurred losses related to the Kumamoto earthquakes, which exclude residential earthquake insurance, as follows:

Incurred losses ¥3.4 billion, Net claims paid ¥0.0 billion and Outstanding claims ¥3.4 billion.

(4) Expenses

<Company expenses>

(Yen in 100 millions)

	Items	Three months ended June 30, 2016			Three months ended June 30, 2017		
		Amount	Change	Change ratio %	Amount	Change	Change ratio %
Personnel expenses	1	315	(6)	(1.9)	323	8	2.7
Non-personnel expenses	2	261	(13)	(4.8)	247	(13)	(5.2)
Taxes and contributions	3	29	1	4.3	28	(0)	(2.4)
Total	4	606	(18)	(2.9)	600	(5)	(1.0)

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

<Expenses for underwriting>

(Yen in 100 millions)

	Items	Three months ended June 30, 2016			Three months ended June 30, 2017		
		Amount	Change	Change ratio %	Amount	Change	Change ratio %
Operating expenses and general and administrative expenses	5	440	(19)	(4.3)	428	(12)	(2.8)
Commissions and collection expenses	6	585	3	0.7	620	34	5.9
Total	7	1,026	(16)	(1.5)	1,048	21	2.1
Net expense ratio	8	34.2 %	(0.9) %		33.6 %	(0.6) %	

(5) Catastrophe reserve

(Yen in 100 millions)

	March 31, 2017		June 30, 2017			
	Balance	Reserve ratio	Reversal	Provision	Balance	Reserve ratio
		%				%
Fire and allied	1,265	83.0	-	33	1,298	80.9
Marine	139	254.7	-	0	139	184.1
Personal accident	651	106.1	-	5	656	98.3
Voluntary automobile	438	6.5	-	56	495	7.0
Other	641	48.8	0	18	659	47.5
Total	3,136	30.4	0	113	3,250	30.1

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

(6) Investment assets

(Yen in 100 millions)

	March 31, 2017	June 30, 2017	
			Change
Cash, deposits and savings	1,898	1,768	(129)
Investments in securities:	25,770	26,528	757
Domestic bonds	9,707	9,825	117
Domestic stocks	8,433	8,814	380
Foreign securities	7,070	7,263	192
Other securities	558	625	66
Loans	2,109	2,081	(27)
Land and buildings	1,634	1,607	(26)
Total	31,412	31,985	573

(Reference)

Long-term investment assets	4,530	4,472	(58)
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(7) Breakdown of interest and dividends income

(Yen in 100 millions)

	Three months ended June 30, 2016	Three months ended June 30, 2017	
			Change
Investments in securities:	158	173	15
Domestic bonds	24	25	0
Domestic stocks	91	97	6
Foreign securities	31	43	11
Other securities	11	7	(3)
Loans	7	6	(1)
Land and buildings	11	11	0
Other	0	2	1
Total	178	193	15

(8) Investments in securities

Unrealized gains and losses on investments in securities

(Yen in 100 millions)

June 30, 2017	Cost	Fair value	Difference	Change from
				March 31, 2017
Domestic bonds	9,192	9,825	632	(16)
Domestic stocks	4,219	8,546	4,327	414
Foreign securities	5,777	6,269	492	59
Other securities	505	568	63	6
Total	19,694	25,210	5,515	463

(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)

	Three months ended June 30, 2016 Gains/(losses)	Three months ended June 30, 2017 Gains/(losses)	Three months ended June 30, 2017	
			Gains	Losses
Domestic bonds	4	0	0	0
Domestic stocks	59	26	27	0
Foreign securities	(16)	(8)	3	12
Other securities	-	-	-	-
Total	47	18	32	13

Impairment losses on securities

(Yen in 100 millions)

	Three months ended June 30, 2016	Three months ended June 30, 2017	Change
Domestic bonds	-	-	-
Domestic stocks	10	0	(10)
Foreign securities	-	0	0
Other securities	-	-	-
Total	10	0	(9)

4. Supplementary Information

(1) Supplementary Information on Consolidated Business Results

(a) 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	Three months ended June 30, 2016			Three months ended June 30, 2017		
	Amount	Share (%)	Change ratio (%)	Amount	Share (%)	Change ratio (%)
Fire and allied	153,285	15.5	(1.4)	155,266	15.5	1.3
Marine	65,492	6.6	67.9	77,772	7.7	18.8
Personal accident	91,288	9.3	(0.1)	89,285	8.9	(2.2)
Voluntary automobile	407,805	41.4	7.8	408,266	40.7	0.1
CALI	89,905	9.1	(2.8)	90,773	9.0	1.0
Other	177,954	18.1	27.7	182,754	18.2	2.7
Total:	985,732	100.0	10.0	1,004,118	100.0	1.9
Deposit premiums from policyholders	27,127	2.8	(28.6)	22,958	2.3	(15.4)

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

Voluntary Automobile	407,833		7.7	409,160		0.3
Total	985,760		10.0	1,005,013		2.0

Net Premiums Written by Line of Insurance

(Yen in millions)

Lines of Insurance	Three months ended June 30, 2016			Three months ended June 30, 2017		
	Amount	Share (%)	Change ratio (%)	Amount	Share (%)	Change ratio (%)
Fire and allied	143,144	15.2	46.0	139,642	14.6	(2.4)
Marine	56,073	5.9	97.5	67,708	7.1	20.7
Personal accident	65,999	7.0	11.0	69,815	7.3	5.8
Voluntary automobile	425,078	45.0	10.6	426,072	44.6	0.2
CALI	79,781	8.5	(4.2)	88,285	9.3	10.7
Other	174,168	18.4	55.2	162,862	17.1	(6.5)
Total	944,246	100.0	23.3	954,386	100.0	1.1

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

Voluntary automobile	425,106		10.5	426,966		0.4
Total	944,274		23.3	955,281		1.2

Net Claims Paid by Line of Insurance

(Yen in millions)

Lines of Insurance	Three months ended June 30, 2016			Three months ended June 30, 2017		
	Amount	Share (%)	Change ratio (%)	Amount	Share (%)	Change ratio (%)
Fire and allied	62,821	14.8	25.4	72,121	16.2	14.8
Marine	22,065	5.2	94.5	25,202	5.6	14.2
Personal accident	26,896	6.3	(1.9)	26,631	6.0	(1.0)
Voluntary automobile	186,503	44.0	1.0	199,905	44.8	7.2
CALI	64,851	15.3	3.2	60,981	13.7	(6.0)
Other	61,085	14.4	28.3	61,117	13.7	0.1
Total	424,222	100.0	10.5	445,959	100.0	5.1

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

(b) Investments in Securities

1. Trading securities

(Yen in millions)

	March 31, 2017		June 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	3,463,985	57,614

(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			June 30, 2017		
	Carrying amount	Fair value	Difference	Carrying amount	Fair value	Difference
Domestic Bonds	1,032,755	1,223,936	191,181	1,033,075	1,225,556	192,481
Other Securities	9,539	9,539	-	5,029	5,029	-
Total	1,042,295	1,233,476	191,181	1,038,104	1,230,586	192,481

(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			June 30, 2017		
	Carrying amount	Fair value	Difference	Carrying amount	Fair value	Difference
Domestic Bonds	288,821	285,054	(3,766)	321,635	317,626	(4,008)
Foreign Securities	1,408,431	1,436,414	27,983	1,474,290	1,513,239	38,949
Total	1,697,252	1,721,469	24,216	1,795,925	1,830,866	34,940

4. Available-for-sale securities

(Yen in millions)

Items	March 31, 2017			June 30, 2017		
	Cost	Carrying amount	Difference	Cost	Carrying amount	Difference
Domestic Bonds	4,005,029	4,336,212	331,183	3,959,185	4,278,086	318,901
Domestic Stocks	1,140,272	2,589,024	1,448,751	1,124,162	2,651,589	1,527,427
Foreign Securities	1,982,164	2,065,525	83,361	1,941,476	2,042,730	101,254
Other Securities	145,206	154,664	9,457	152,465	162,344	9,879
Total	7,272,672	9,145,427	1,872,754	7,177,289	9,134,752	1,957,463

(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 three months ended June 30, 2017: ¥276 million (comprised of ¥79 million on Domestic stocks and ¥197 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

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

Non-Consolidated Balance Sheets

(Yen in millions)

Items	March 31, 2017	June 30, 2017
(Assets)		
Cash, deposits and savings	389,027	450,873
Receivables under resale agreements	6,999	6,999
Monetary claims bought	20,393	17,078
Money trusts	3,500	3,674
Investments in securities	5,294,691	5,318,960
Loans	418,146	400,660
Tangible fixed assets	210,723	208,771
Intangible fixed assets	40,105	38,183
Other assets	352,144	323,179
Customers' liabilities under acceptances and guarantees	45,520	44,508
Bad debt reserve	(4,175)	(3,363)
Total assets	6,777,076	6,809,528
(Liabilities)		
Policy liabilities:	3,960,687	3,957,280
Outstanding claims	643,446	637,614
Underwriting reserves	3,317,241	3,319,665
Bonds issued	256,191	256,191
Other liabilities:	515,281	491,795
Income taxes payable	39,277	21,275
Lease obligations	1,399	1,370
Asset retirement obligations	3,831	3,851
Other liabilities	470,773	465,296
Reserve for pension and retirement benefits	136,186	137,862
Reserve for retirement benefits for officers	612	559
Accrued bonuses for employees	10,453	123
Reserve for reorganization by function	3,015	3,014
Reserves under the special laws:	67,801	68,720
Reserve for price fluctuation	67,801	68,720
Deferred tax liabilities	136,275	146,833
Acceptances and guarantees	45,520	44,508
Total liabilities	5,132,025	5,106,890
(Net assets)		
Common stock	139,595	139,595
Capital surplus	93,107	93,107
Retained earnings	443,975	473,980
Total shareholders' equity	676,678	706,684
Net unrealized gains/(losses) on investments in securities	932,995	961,034
Net deferred gains/(losses) on hedges	35,377	34,918
Total valuation and translation adjustments	968,372	995,953
Total net assets	1,645,050	1,702,637
Total liabilities and net assets	6,777,076	6,809,528

Non-Consolidated Statements of Income

(Yen in millions)

Items	Three months ended June 30, 2016	Three months ended June 30, 2017
Ordinary income:	437,886	467,608
Underwriting income:	398,500	406,949
Net premiums written	362,662	376,111
Deposit premiums from policyholders	19,449	16,129
Investment income on deposit premiums from policyholders	9,313	8,511
Reversal of outstanding claims	-	5,831
Reversal of underwriting reserves	7,052	-
Investment income:	38,059	59,385
Interest and dividends income	34,782	37,876
Investment gains on money trusts	603	179
Gains on sales of securities	11,803	28,072
Transfer of investment income on deposit premiums from policyholders	(9,313)	(8,511)
Other ordinary income	1,327	1,273
Ordinary expenses:	396,012	379,711
Underwriting expenses:	328,544	321,741
Net claims paid	184,402	191,573
Loss adjustment expenses	21,979	21,307
Commissions and collection expenses	63,713	65,853
Maturity refunds to policyholders	39,704	40,375
Provision for outstanding claims	16,380	-
Provision for underwriting reserves	-	2,424
Investment expenses:	10,341	2,003
Investment losses on money trusts	241	-
Losses on sales of securities	476	892
Impairment losses on securities	1,510	524
Operating expenses and general and administrative expenses	55,512	54,324
Other ordinary expenses:	1,614	1,642
Interest expense	1,602	1,573
Ordinary profit	41,874	87,896
Extraordinary income	420	20
Extraordinary losses	1,875	1,161
Income before income taxes	40,419	86,756
Income taxes	8,154	20,069
Net income	32,264	66,686

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	June 30, 2017
(A) Total amount of solvency margin	2,840,438	2,981,557
Total net assets	639,997	706,684
Reserve for price fluctuation	67,801	68,720
Contingency reserve	589	616
Catastrophe reserve	536,735	549,373
General bad debt reserve	156	147
Net unrealized gains/(losses) on investments in securities and net deferred gains/(losses) on hedges (prior to tax effect deductions)	1,164,861	1,199,763
Net unrealized gains/(losses) on land	45,296	45,375
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	14,642
Others	143,455	169,327
(B) Total amount of risks $\sqrt{(R_1 + R_2)^2 + (R_3 + R_4)^2} + R_5 + R_6$	863,472	852,495
General insurance risk (R ₁)	125,601	125,991
Insurance risk of third sector insurance contracts (R ₂)	-	-
Assumed interest rate risk (R ₃)	16,637	16,401
Asset management risk (R ₄)	696,215	702,584
Business administration risk (R ₅)	19,178	18,971
Catastrophe risk (R ₆)	120,461	103,582
(C) Solvency margin ratio [(A) / {(B) x 1/2}] x 100	657.9 %	699.4 %

(Note) The non-consolidated solvency margin ratio for June 30, 2017 is calculated by partially applying the simplified method where components such as the catastrophe risk (R₆) are calculated based on the data used for March 31, 2017.

(b) Aioi Nissay Dowa Insurance Co., Ltd. (Non-consolidated)**Non-Consolidated Balance Sheets**

(Yen in millions)

Items	March 31, 2017	June 30, 2017
(Assets)		
Cash, deposits and savings	172,323	159,340
Call loans	15,000	15,000
Money trusts	2,502	2,499
Investments in securities	2,577,087	2,652,867
Loans	210,917	208,122
Tangible fixed assets	174,597	172,052
Intangible fixed assets	19,679	19,371
Other assets	276,730	273,027
Prepaid pension expenses	27,150	26,280
Deferred tax assets	16,329	3,808
Customers' liabilities under acceptances and guarantees	7,530	7,530
Bad debt reserve	(1,584)	(1,568)
Total assets	3,498,264	3,538,332
(Liabilities)		
Policy liabilities:	2,425,101	2,448,263
Outstanding claims	526,764	529,286
Underwriting reserves	1,898,337	1,918,977
Bonds issued	50,000	50,000
Other liabilities:	154,423	139,525
Income taxes payable	17,290	7,609
Lease obligations	30	26
Asset retirement obligations	661	811
Other liabilities	136,441	131,077
Reserve for pension and retirement benefits	22,840	23,887
Accrued bonuses for employees	5,919	227
Reserve for reorganization by function	2,288	2,198
Reserves under the special laws:	37,114	37,550
Reserve for price fluctuation	37,114	37,550
Acceptances and guarantees	7,530	7,530
Total liabilities	2,705,218	2,709,182
(Net assets)		
Common stock	100,005	100,005
Capital surplus	81,207	81,207
Retained earnings	237,071	239,345
Total shareholders' equity	418,284	420,558
Net unrealized gains/(losses) on investments in securities	374,762	408,590
Total valuation and translation adjustments	374,762	408,590
Total net assets	793,046	829,149
Total liabilities and net assets	3,498,264	3,538,332

Non-Consolidated Statements of Income

(Yen in millions)

Items	Three months ended June 30, 2016	Three months ended June 30, 2017
Ordinary income:	334,322	344,707
Underwriting income:	312,941	324,220
Net premiums written	300,461	312,238
Deposit premiums from policyholders	7,677	6,828
Investment income on deposit premiums from policyholders	4,755	4,249
Investment income:	19,959	18,410
Interest and dividends income	17,819	19,381
Investment gains on money trusts	0	0
Gains on sales of securities	6,526	3,205
Transfer of investment income on deposit premiums from policyholders	(4,755)	(4,249)
Other ordinary income	1,421	2,075
Ordinary expenses:	308,749	313,710
Underwriting expenses:	257,803	265,092
Net claims paid	149,205	149,442
Loss adjustment expenses	14,556	14,822
Commissions and collection expenses	58,581	62,012
Maturity refunds to policyholders	16,705	15,265
Provision for outstanding claims	6,878	2,521
Provision for underwriting reserves	5,992	20,639
Investment expenses:	4,260	2,876
Losses on sales of securities	1,796	1,308
Impairment losses on securities	1,018	39
Operating expenses and general and administrative expenses	46,049	45,205
Other ordinary expenses:	634	536
Interest expense	188	187
Ordinary profit	25,573	30,996
Extraordinary income	23	90
Extraordinary losses	5,339	1,549
Income before income taxes	20,257	29,537
Income taxes	4,158	7,079
Net income	16,099	22,458

Non-Consolidated Solvency Margin Ratio

(Yen in millions)

	March 31, 2017	June 30, 2017
(A) Total amount of solvency margin	1,332,714	1,417,689
Total net assets	398,099	420,558
Reserve for price fluctuation	37,114	37,550
Contingency reserve	747	747
Catastrophe reserve	318,711	330,206
General bad debt reserve	296	294
Net unrealized gains/(losses) on investments in securities and net deferred gains/(losses) on hedges (prior to tax effect deductions)	455,477	497,192
Net unrealized gains/(losses) on land	14,099	14,270
Excess of policyholders' contract deposits (a)	-	-
Subordinated debts, etc. (b)	50,000	50,000
Amount excluded from the margin, out of (a) and (b)	-	-
Deductions	10,743	10,739
Others	68,911	77,608
(B) Total amount of risks $\sqrt{(R_1 + R_2)^2 + (R_3 + R_4)^2} + R_5 + R_6$	312,981	321,649
General insurance risk (R ₁)	103,370	103,466
Insurance risk of third sector insurance contracts (R ₂)	-	-
Assumed interest rate risk (R ₃)	8,387	8,254
Asset management risk (R ₄)	221,083	230,318
Business administration risk (R ₅)	7,728	7,914
Catastrophe risk (R ₆)	53,574	53,691
(C) Solvency margin ratio [(A) / {(B) x 1/2}] x 100	851.6 %	881.5 %

(Note) The non-consolidated solvency margin ratio for June 30, 2017 is calculated by partially applying the simplified method where components such as the catastrophe risk (R₆) are calculated based on the data used for March 31, 2017.

(c) Mitsui Direct General Insurance Co., Ltd. (Non-consolidated)

Non-Consolidated Balance Sheets

(Yen in millions)

Items	March 31, 2017	June 30, 2017
(Assets)		
Cash, deposits and savings	12,180	12,887
Investments in securities	39,510	39,481
Tangible fixed assets	367	377
Intangible fixed assets	2,307	2,463
Other assets	5,625	5,192
Bad debt reserve	(4)	(2)
Total assets	59,987	60,399
(Liabilities)		
Policy liabilities:	44,851	44,211
Outstanding claims	24,157	24,300
Underwriting reserves	20,693	19,910
Other liabilities:	1,254	1,230
Income taxes payable	119	54
Asset retirement obligations	17	17
Other liabilities	1,118	1,159
Reserve for pension and retirement benefits	52	65
Accrued bonuses for employees	262	-
Reserves under the special laws:	56	58
Reserve for price fluctuation	56	58
Deferred tax liabilities	119	104
Total liabilities	46,596	45,670
(Net assets)		
Common stock	39,106	39,106
Capital surplus	9,006	9,006
Retained earnings	(34,820)	(33,447)
Total shareholders' equity	13,291	14,664
Net unrealized gains/(losses) on investments in securities	99	63
Total valuation and translation adjustments	99	63
Total net assets	13,390	14,728
Total liabilities and net assets	59,987	60,399

Non-Consolidated Statements of Income

(Yen in millions)

Items	Three months ended June 30, 2016	Three months ended June 30, 2017
Ordinary income:	10,020	10,283
Underwriting income:	9,998	10,261
Net premiums written	9,348	9,474
Investment income on deposit premiums from policyholders	5	4
Reversal of underwriting reserves	643	782
Investment income:	20	15
Interest and dividends income	24	20
Gains on sales of securities	0	-
Transfer of investment income on deposit premiums from policyholders	(5)	(4)
Other ordinary income	2	6
Ordinary expenses:	8,826	8,894
Underwriting expenses:	6,717	6,956
Net claims paid	5,975	6,089
Loss adjustment expenses	646	652
Commissions and collection expenses	61	70
Provision for outstanding claims	33	143
Investment expenses	-	-
Operating expenses and general and administrative expenses	2,078	1,936
Other ordinary expenses	29	0
Ordinary profit	1,194	1,388
Extraordinary income	-	-
Extraordinary losses	4	1
Income before income taxes	1,189	1,387
Income taxes	13	13
Net income	1,175	1,373

Non-Consolidated Solvency Margin Ratio

(Yen in millions)

	March 31, 2017	June 30, 2017
(A) Total amount of solvency margin	14,705	15,150
Total net assets	13,291	14,664
Reserve for price fluctuation	56	58
Contingency reserve	0	0
Catastrophe reserve	1,231	344
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	79
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	918
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 %	444.3 %

(Note) The non-consolidated solvency margin ratio for June 30, 2017 is calculated by partially applying the simplified method to components such as the assumed interest rate risk (R₃).

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

(Yen in millions)

Items	March 31, 2017	June 30, 2017
(Assets)		
Cash, deposits and savings	290,010	344,643
Receivables under securities borrowing transactions	285,455	228,668
Investments in securities	2,919,795	2,917,868
Loans	55,198	54,780
Tangible fixed assets	4,638	4,396
Intangible fixed assets	20,987	22,618
Due from agencies	116	141
Reinsurance accounts receivable	1,018	401
Other assets	42,103	39,502
Bad debt reserve	(128)	(124)
Total assets	3,619,194	3,612,897
(Liabilities)		
Policy liabilities:	2,934,939	2,991,396
Outstanding claims	27,648	26,219
Underwriting reserves	2,896,459	2,954,756
Reserve for dividends to policyholders	10,831	10,420
Due to agencies	5,626	3,806
Reinsurance accounts payable	283	190
Other liabilities:	375,124	317,181
Payables under securities lending transactions	361,797	306,209
Income taxes payable	853	822
Lease obligations	2,976	2,863
Asset retirement obligations	429	430
Other liabilities	9,066	6,856
Reserve for pension and retirement benefits	2,535	2,651
Reserve for retirement benefits for officers	28	26
Reserves under the special laws:	5,988	6,177
Reserve for price fluctuation	5,988	6,177
Deferred tax liabilities	18,397	17,412
Total liabilities	3,342,924	3,338,843
(Net assets)		
Common stock	85,500	85,500
Capital surplus	93,688	93,688
Retained earnings	6,133	6,451
Total shareholders' equity	185,321	185,639
Net unrealized gains/(losses) on investments in securities	90,948	88,415
Total valuation and translation adjustments	90,948	88,415
Total net assets	276,270	274,054
Total liabilities and net assets	3,619,194	3,612,897

Non-Consolidated Statements of Income

(Yen in millions)

Items	Three months ended June 30, 2016	Three months ended June 30, 2017
Ordinary income:	125,186	134,840
Insurance premiums and others:	113,722	118,683
Insurance premiums	113,689	118,268
Investment income:	10,992	13,927
Interest and dividends income	10,823	10,943
Gains on sales of securities	167	2,979
Other ordinary income	471	2,229
Ordinary expenses:	120,943	129,878
Insurance claims and others:	45,781	47,550
Insurance claims	10,475	11,426
Annuity payments	3,799	4,023
Benefits	3,987	4,402
Surrender benefits	26,274	26,135
Other refunds	892	1,288
Provision for underwriting reserves and others:	53,774	58,296
Provision for outstanding claims	68	-
Provision for underwriting reserves	53,705	58,296
Provision for interest portion of reserve for dividends to policyholders	0	0
Investment expenses:	394	1,187
Interest expense	15	16
Losses on sales of securities	-	633
Losses on derivative transactions	364	519
Operating expenses	18,168	19,546
Other ordinary expenses	2,825	3,297
Ordinary profit	4,242	4,961
Extraordinary income	0	1
Extraordinary losses	179	192
Provision for reserve for dividends to policyholders	1,531	1,520
Income before income taxes	2,531	3,249
Income taxes	776	807
Net income	1,754	2,441

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

(1) Policies in force

(Yen in 100 millions)

	March 31, 2017		June 30, 2017	
	Number of policies (in thousands)	Amount	Number of policies (in thousands)	Amount
Individual insurance	2,938	224,779	2,962	225,908
Individual annuities	186	7,362	185	7,301
Group insurance	-	70,743	-	73,457
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)

	Three months ended June 30, 2016				Three months ended June 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	70	4,892	4,892	-	62	6,272	6,272	-
Individual annuities	1	65	65	-	0	26	26	-
Group insurance	-	203	203	-	-	383	383	-
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	June 30, 2017
Individual insurance	3,577	3,593
Individual annuities	433	434
Total:	4,010	4,028
Medical coverage, living benefits, etc.	884	901

(2) New policies

(Yen in 100 millions)

	Three months ended June 30, 2016	Three months ended June 30, 2017
Individual insurance	95	83
Individual annuities	3	1
Total:	99	84
Medical coverage, living benefits, etc.	34	30

(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)

	Three months ended June 30, 2016	Three months ended June 30, 2017	Change
Fundamental revenues:	125,018	131,860	6,842
Insurance premiums and others	113,722	118,683	4,961
Fundamental expenses	120,033	128,046	8,013
Fundamental profit	4,984	3,813	(1,170)
Capital gains/(losses)	(200)	1,826	2,026
Non-recurring gains/(losses)	(541)	(678)	(136)
Ordinary profit	4,242	4,961	719
Extraordinary income	0	1	0
Extraordinary losses	179	192	13
Provision for reserve for dividends to policyholders	1,531	1,520	(11)
Income taxes	776	807	30
Net income	1,754	2,441	687

Non-Consolidated Solvency Margin Ratio

(Yen in millions)

	March 31, 2017	June 30, 2017
(A) Total amount of solvency margin	487,958	491,697
Total capital	183,197	185,639
Reserve for price fluctuation	5,988	6,177
Contingency reserve	31,584	32,262
General bad debt reserve	25	21
Net unrealized gains/(losses) on investments in securities and net deferred gains/(losses) on hedges (prior to tax effect deductions) x 90%	113,685	110,518
Net unrealized gains/(losses) on land x 85%	-	-
Excess of continued Zillmerized reserve (a)	151,430	154,264
Subordinated debts, etc. (b)	-	-
Amount excluded from the margin, out of (a) and (b)	-	-
Brought in capital	-	-
Deductions	-	-
Others	2,046	2,811
(B) Total amount of risks $\sqrt{(R_1 + R_8)^2 + (R_2 + R_3 + R_7)^2} + R_4$	51,546	52,386
Insurance risk (R ₁)	16,565	16,847
Insurance risk of third sector insurance contracts (R ₈)	11,315	11,675
Assumed interest rate risk (R ₂)	3,080	3,089
Minimum guarantee risk (R ₇)	-	-
Asset management risk (R ₃)	38,611	39,153
Business administration risk (R ₄)	1,391	1,415
(C) Solvency margin ratio [(A) / {(B) x 1/2}] x 100	1,893.2 %	1,877.1 %

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

Non-Consolidated Balance Sheets

(Yen in millions)

Items	March 31, 2017	June 30, 2017
(Assets)		
Cash, deposits and savings	141,458	150,386
Monetary claims bought	41,499	36,499
Money trusts	965,032	1,008,008
Investments in securities	4,404,883	4,523,444
Loans	208,643	231,175
Tangible fixed assets	560	526
Intangible fixed assets	4,471	4,478
Reinsurance accounts receivable	2,851	2,867
Other assets	25,001	33,849
Deferred tax assets	43,644	42,862
Total assets	5,838,048	6,034,099
(Liabilities)		
Policy liabilities:	5,561,432	5,756,492
Outstanding claims	12,418	12,084
Underwriting reserves	5,549,014	5,744,408
Due to agencies	4,984	3,630
Reinsurance accounts payable	7,199	5,470
Other liabilities:	42,675	44,157
Income taxes payable	2,911	-
Lease obligations	207	175
Asset retirement obligations	132	133
Other liabilities	39,423	43,848
Reserves under the special laws:	84,000	84,658
Reserve for price fluctuation	84,000	84,658
Total liabilities	5,700,291	5,894,409
(Net assets)		
Common stock	41,060	41,060
Capital surplus	24,735	24,735
Retained earnings	64,435	64,356
Total shareholders' equity	130,230	130,151
Net unrealized gains/(losses) on investments in securities	7,522	9,482
Net deferred gains/(losses) on hedges	3	55
Total valuation and translation adjustments	7,525	9,537
Total net assets	137,756	139,689
Total liabilities and net assets	5,838,048	6,034,099

Non-Consolidated Statements of Income

(Yen in millions)

Items	Three months ended June 30, 2016	Three months ended June 30, 2017
Ordinary income:	397,018	344,886
Insurance premiums and others:	244,315	217,542
Insurance premiums	243,947	213,319
Investment income:	13,139	125,995
Interest and dividends income	12,012	18,057
Investment gains on money trusts	-	23,525
Gains on sales of securities	1,070	-
Gains on derivative transactions	56	-
Investment gains on separate accounts	-	74,698
Other ordinary income:	139,563	1,348
Reversal of outstanding claims	-	333
Reversal of underwriting reserves	138,752	-
Ordinary expenses:	411,418	339,501
Insurance claims and others:	91,526	131,541
Insurance claims	14,631	16,982
Annuity payments	18,006	19,674
Benefits	28,421	34,239
Surrender benefits	20,415	32,190
Other refunds	878	559
Provision for underwriting reserves and others:	259	195,394
Provision for outstanding claims	259	-
Provision for underwriting reserves	-	195,394
Investment expenses:	300,148	6
Interest expense	0	0
Investment losses on money trusts	59,642	-
Losses on sales of securities	1,299	-
Investment losses on separate accounts	87,153	-
Operating expenses	17,016	10,951
Other ordinary expenses	2,468	1,607
Ordinary profit/(loss)	(14,400)	5,385
Extraordinary income	22,094	-
Extraordinary losses	-	658
Income before income taxes	7,694	4,726
Income taxes	2,101	1,325
Net income	5,593	3,401

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

(1) Policies in force

(Yen in 100 millions)

	March 31, 2017		June 30, 2017	
	Number of policies (in thousands)	Amount	Number of policies (in thousands)	Amount
Individual insurance	597	33,352	621	35,094
Individual annuities	323	23,455	325	23,525
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)

	Three months ended June 30, 2016				Three months ended June 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	40	2,014	2,014	-	27	1,752	1,752	-
Individual annuities	5	320	320	-	8	378	378	-
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	June 30, 2017
Individual insurance	2,217	2,370
Individual annuities	3,104	2,938
Total:	5,321	5,309
Medical coverage, living benefits, etc.	0	0

(2) New policies

(Yen in 100 millions)

	Three months ended June 30, 2016	Three months ended June 30, 2017
Individual insurance	136	138
Individual annuities	208	68
Total:	345	207
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)

	Three months ended June 30, 2016	Three months ended June 30, 2017	Change
Fundamental revenues:	394,803	330,090	(64,713)
Insurance premiums and others	244,315	217,542	(26,773)
Fundamental expenses	424,628	337,383	(87,244)
Fundamental profit/(loss)	(29,824)	(7,293)	22,531
Capital gains/(losses)	10,547	14,796	4,248
Non-recurring gains/(losses)	4,876	(2,117)	(6,994)
Ordinary profit/(loss)	(14,400)	5,385	19,785
Extraordinary income	22,094	-	(22,094)
Extraordinary losses	-	658	658
Provision for reserve for dividends to policyholders	-	-	-
Income taxes	2,101	1,325	(776)
Net income	5,593	3,401	(2,191)

Non-Consolidated Solvency Margin Ratio

(Yen in millions)

	March 31, 2017	June 30, 2017
(A) Total amount of solvency margin	558,542	519,393
Total capital	126,749	130,151
Reserve for price fluctuation	84,000	84,658
Contingency reserve	74,456	76,574
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	11,853
Net unrealized gains/(losses) on land x 85%	-	-
Excess of continued Zillmerized reserve (a)	241,219	192,118
Subordinated debts, etc. (b)	-	-
Amount excluded from the margin, out of (a) and (b)	-	-
Brought in capital	-	-
Deductions	-	-
Others	22,714	24,037
(B) Total amount of risks $\sqrt{(R_1 + R_8)^2 + (R_2 + R_3 + R_7)^2} + R_4$	108,399	112,956
Insurance risk (R ₁)	89	83
Insurance risk of third sector insurance contracts (R ₈)	5	5
Assumed interest rate risk (R ₂)	41,902	43,785
Minimum guarantee risk (R ₇)	3,722	3,377
Asset management risk (R ₃)	60,647	63,577
Business administration risk (R ₄)	2,127	2,216
(C) Solvency margin ratio [(A) / {(B) x 1/2}] x 100	1,030.5 %	919.6 %