

# Explanation for Business Results for the Six Months Ended September 30, 2011

## 1. Summary of Consolidated Business Results

### (1) Summary of Consolidated Results of Operations

(Yen in 100 millions)

		Six months ended September 30, 2010	Six months ended September 30, 2011	Change	Change ratio (%)
<b>Ordinary income and expenses:</b>					
<b>Underwriting income:</b>	①	<b>15,991</b>	<b>19,944</b>	<b>3,953</b>	<b>24.7</b>
Net premiums written	②	13,005	13,052	46	0.4
Deposit premiums from policyholders	③	1,143	936	(206)	(18.1)
Life insurance premiums	④	1,138	2,055	916	80.4
Reversal of outstanding claims	⑤	-	121	121	-
Reversal of underwriting reserves	⑥	321	3,421	3,099	962.9
<b>Underwriting expenses:</b>	⑦	<b>13,633</b>	<b>15,428</b>	<b>1,794</b>	<b>13.2</b>
Net claims paid	⑧	7,838	9,518	1,679	21.4
Loss adjustment expenses	⑨	676	660	(15)	(2.4)
Commission and collection expenses	⑩	2,346	2,438	91	3.9
Maturity refunds to policyholders	⑪	2,326	1,861	(465)	(20.0)
Life insurance claims	⑫	287	876	588	204.8
Provision for outstanding claims	⑬	74	-	(74)	(100.0)
<b>Investment income:</b>	⑭	<b>1,123</b>	<b>959</b>	<b>(164)</b>	<b>(14.6)</b>
Interest and dividends received	⑮	1,073	992	(81)	(7.6)
Gains on sale of securities	⑯	296	261	(34)	(11.7)
Gains on derivative transactions	⑰	60	-	(60)	(100.0)
<b>Investment expenses:</b>	⑱	<b>347</b>	<b>2,865</b>	<b>2,518</b>	<b>725.3</b>
Investment losses on money trusts	⑲	2	353	350	13,748.1
Losses on sale of securities	⑳	104	58	(45)	(43.5)
Losses on devaluation of securities	㉑	151	539	388	257.1
Losses on investment in separate accounts	㉒	-	1,809	1,809	-
<b>Operating expenses and general and administrative expenses</b>	㉓	<b>2,497</b>	<b>2,527</b>	<b>30</b>	<b>1.2</b>
<b>Other ordinary income and expenses:</b>	㉔	<b>68</b>	<b>6</b>	<b>(62)</b>	<b>(90.9)</b>
Net income and losses from equity method investments	㉕	47	(0)	(48)	(102.0)
<b>Deferred expenses under Article 113 of the Insurance Business Act</b>	㉖	<b>-</b>	<b>(3)</b>	<b>(3)</b>	<b>-</b>
<b>Ordinary profit</b>	㉗	<b>705</b>	<b>92</b>	<b>(613)</b>	<b>(86.9)</b>
<b>Extraordinary income and losses:</b>					
<b>Extraordinary income:</b>	㉘	<b>139</b>	<b>73</b>	<b>(66)</b>	<b>(47.4)</b>
Gain on negative goodwill	㉙	135	33	(102)	(75.5)
<b>Extraordinary losses:</b>	㉚	<b>350</b>	<b>96</b>	<b>(254)</b>	<b>(72.6)</b>
Other extraordinary losses	㉛	280	58	(222)	(79.3)
<b>Extraordinary income and losses</b>	㉜	<b>(211)</b>	<b>(22)</b>	<b>188</b>	<b>-</b>
<b>Income before income taxes</b>	㉝	<b>494</b>	<b>69</b>	<b>(424)</b>	<b>(86.0)</b>
<b>Income taxes - current</b>	㉞	<b>127</b>	<b>84</b>	<b>(43)</b>	<b>(33.8)</b>
<b>Income taxes - deferred</b>	㉟	<b>(37)</b>	<b>(95)</b>	<b>(57)</b>	<b>-</b>
<b>Total income taxes</b>	㊱	<b>90</b>	<b>(10)</b>	<b>(100)</b>	<b>(111.7)</b>
<b>Income before minority interests</b>	㊲	<b>403</b>	<b>79</b>	<b>(324)</b>	<b>(80.3)</b>
<b>Minority interests</b>	㊳	<b>3</b>	<b>8</b>	<b>5</b>	<b>158.9</b>
<b>Net income</b>	㊴	<b>400</b>	<b>71</b>	<b>(329)</b>	<b>(82.2)</b>

(Notes)

- Net premiums written exclude Good Result Return premiums of Mitsui Sumitomo Insurance's proprietary auto insurance product "Modorich" which contains a special clause related to premium adjustment and refund at maturity.
- For the Six months ended September 30, 2011, Net claims paid( ) and Life insurance claims( ) include losses due to the Great East Japan Earthquake as below:  
 Net claims paid( ) : 164.9 billion yen; 144.7 billion yen for Earthquake Insurance on Dwelling Risks(\*), 20.2 billion yen for the others  
 Life insurance claims( ) : 1.2 billion yen  
 (\*):Earthquake insurance under "the Law concerning Earthquake Insurance"  
 Claims for Earthquake Insurance on Dwelling Risks represents our group's portion of insurance liability retroceded to the private non-life insurers. This amount is based on the notification received from Japan Earthquake Reinsurance Co., Ltd. by the end of 2nd quarter and includes the claims relating to other earthquakes than the Great East Japan Earthquake. Also, since this amount is offset by the reversal of underwriting reserves for the same amount, it has no impact on the profit or loss.
- Other extraordinary losses include below:  
 Six months ended September 30, 2010: Business-integration-related expenses 23.5 billion yen  
 Six months ended September 30, 2011: Merger-related expenses of domestic life insurance subsidiaries 4.0billion yen

## (2) Breakdown by Companies (Net Premiums Written, Ordinary Profit, Net Income or Loss)

(Yen in 100 millions)

		Six months ended September 30, 2010	Six months ended September 30, 2011	Change	Change ratio (%)
Net premiums written <small>Note 1</small>	①	13,005	13,052	46	0.4
Mitsui Sumitomo Insurance <small>Note 1</small>	②	6,234	6,436	201	3.2
Aioi Nissay Dowa Insurance <small>Note 2</small>	③	5,583	5,431	(152)	(2.7)
Mitsui Direct General Insurance	④	162	168	6	3.9
Overseas insurance subsidiaries	⑤	1,025	1,017	(7)	(0.8)
Ordinary profit	⑥	705	92	(613)	(86.9)
Mitsui Sumitomo Insurance	⑦	466	82	(384)	(82.3)
Aioi Nissay Dowa Insurance <small>Note 2</small>	⑧	306	181	(125)	(40.9)
Net income (loss)	⑨	400	71	(329)	(82.2)
Mitsui Sumitomo Insurance	⑩	273	53	(220)	(80.5)
Aioi Nissay Dowa Insurance <small>Note 2</small>	⑪	57	148	91	160.5
Mitsui Direct General Insurance	⑫	1	3	1	98.7
Mitsui Sumitomo Kirameki Life Insurance	⑬	0	(5)	(5)	(1,550.8)
Aioi Life Insurance	⑭	7	(24)	(32)	(421.2)
Mitsui Sumitomo Primary Life Insurance <small>Note 3</small>	⑮	45	44	(1)	(2.4)
Overseas insurance subsidiaries	⑯	7	75	68	915.1
Others	⑰	1	(0)	(2)	(123.3)
Consolidation adjustment / Holding Company	⑱	4	(224)	(228)	(4,687.8)

(Notes)

- Net premiums written exclude Good Result Return premiums of Mitsui Sumitomo Insurance's proprietary auto insurance product "ModoRich" which contains a special clause related to premium adjustment and refund at maturity.
- Aioi Insurance Co., Ltd. and Nissay Dowa General Insurance Co., Ltd. merged into Aioi Nissay Dowa Insurance Co., Ltd. on October 1, 2010. Figures for the six months ended September 30, 2010 of Aioi Nissay Dowa Insurance Co., Ltd. are the simple combination of Aioi Insurance Co., Ltd. and Nissay Dowa General Insurance Co., Ltd.
- Mitsui Sumitomo Primary Life Insurance Co., Ltd., formerly an affiliate accounted for using the equity method, became a wholly-owned consolidated subsidiary of the Company on April 1, 2011. The figure for the six months ended September 30, 2010 is an equity in earning of affiliate (the Company's share: 50%).
- Figures in 10 through 17 are prior to consolidation adjustments (the Company's share of the subsidiaries' profits or losses).

## (3) Breakdown of Overseas Insurance Subsidiaries

(Yen in 100 millions)

		Six months ended September 30, 2010	Six months ended September 30, 2011	Change	Change ratio (%)
Net premiums written	①	1,025	1,017	(7)	(0.8)
Asia	②	400	469	68	17.2
Europe	③	321	267	(54)	(16.9)
Americas	④	158	153	(5)	(3.5)
Reinsurance	⑤	144	127	(16)	(11.7)
Net income (loss)	⑥	7	75	68	915.1
Asia	⑦	42	48	6	14.2
Europe	⑧	(82)	17	100	-
Americas	⑨	11	7	(4)	(35.3)
Reinsurance	⑩	35	1	(33)	(95.3)

**(4) Status of Domestic Life Insurance Subsidiaries**

(Yen in 100 millions)

		Six months ended September 30, 2010	Six months ended September 30, 2011	Change	Change ratio (%)	Year ended March 31, 2011
Amount of new policies				From the year-earlier period	From the year-earlier period	
Mitsui Sumitomo Kirameki Life Insurance	①	8,316	9,823	1,507	18.1	17,986
Aioi Life Insurance	②	4,931	6,429	1,497	30.4	10,445
Subtotal amount	③	13,248	16,253	3,005	22.7	28,431
Mitsui Sumitomo Primary Life Insurance	④	1,294	1,178	(116)	(9.0)	2,537
Amount of policies in force				From the previous year	From the previous year	
Mitsui Sumitomo Kirameki Life Insurance	⑤	97,463	106,002	4,620	4.6	101,381
Aioi Life Insurance	⑥	60,578	66,461	3,513	5.6	62,947
Subtotal amount	⑦	158,042	172,463	8,134	5.0	164,329
Mitsui Sumitomo Primary Life Insurance	⑧	29,767	28,447	(2,383)	(7.7)	30,830
Annualized premiums for policies in force				From the previous year	From the previous year	
Mitsui Sumitomo Kirameki Life Insurance	⑨	1,963	2,069	55	2.8	2,013
Aioi Life Insurance	⑩	749	804	37	4.9	766
Subtotal amount	⑪	2,713	2,873	93	3.4	2,780
Mitsui Sumitomo Primary Life Insurance	⑫	4,606	4,226	(128)	(3.0)	4,355

(Note) Above figures show the total of individual insurance and individual annuities.

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

Figures below are presented exclusive of the GRR premiums of the automobile insurance "ModoRich", which contains a special clause for premium adjustment and refund at maturity.

### (1) Profit and loss status

( Yen in 100 millions )

		Six months ended September 30, 2010	Six months ended September 30, 2011	Change	Change ratio
( + ) Net premiums written	①	6,234	6,436	201	3.2
( - ) Net claims paid	②	3,816	4,688	871	22.8
( - ) Loss adjustment expense	③	365	369	3	1.1
( - ) Commissions and collection expenses	④	1,084	1,126	42	3.9
( - ) Operating expenses and general administrative expenses for underwriting	⑤	981	973	(7)	(0.8)
Underwriting balance	⑥	(13)	(722)	(708)	-
( - ) Outstanding claims provision	⑦	(59)	60	120	-
( - ) Ordinary underwriting reserve	⑧	(21)	(605)	(583)	-
( - ) Catastrophe reserve provision	⑨	22	44	22	97.0
( + ) Other	⑩	26	20	(5)	(20.0)
Underwriting profit/losses	⑪	70	(202)	(272)	(388.1)
( + ) Interest and dividends received	⑫	612	540	(72)	(11.8)
( - ) Transfer of investment income on deposit premium	⑬	259	240	(18)	(7.1)
Net interest and dividend income -	⑭	353	299	(54)	(15.3)
( + ) Net gains/losses on sale of securities	⑮	147	179	31	21.5
( - ) Losses on devaluation of securities	⑯	76	81	4	6.2
( + ) Gains/losses on derivative transactions	⑰	54	6	(48)	(88.8)
( + ) Other	⑱	(73)	(101)	(28)	-
Total investment income	⑲	406	302	(104)	(25.6)
( + ) Other ordinary expenses	⑳	(9)	(17)	(7)	-
Ordinary profit	㉑	466	82	(384)	(82.3)
( + ) Extraordinary losses	㉒	(100)	(39)	61	-
Reserve for price fluctuation	㉓	(13)	(13)	(0)	-
Integration-related expenses	㉔	(14)	-	14	-
Income before income taxes	㉕	365	42	(323)	(88.3)
( - ) Total income taxes	㉖	92	(10)	(102)	(111.4)
Net income	㉗	273	53	(220)	(80.5)
Ratios	㉘	67.1 %	78.6 %	11.5 %	
	㉙	33.1 %	32.6 %	(0.5) %	
	㉚	100.2 %	111.2 %	11.0 %	
Incurring Loss	+	3,757	4,749	991	26.4

(Note) 1. Net loss ratio = ( Net claims paid + Loss adjustment expenses ) / Net premiums written × 100

2. Net expense ratio = Expenses for underwriting / Net premiums written × 100

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

### (Reference) Excluding Compulsory Automobile Liability Insurance

Net premiums written	㉛	5,540	5,730	190	3.4
Ratios	㉜	62.3 %	75.5 %	13.2 %	
	㉝	34.4 %	33.9 %	(0.5) %	
	㉞	96.7 %	109.4 %	12.7 %	

### (Reference) Excluding residential earthquake insurance and Compulsory Automobile Liability Insurance

Net loss ratio	㉟	62.5 %	61.7 %	(0.8) %	
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## (2) Net premiums written

(Yen in 100 millions)

	Net premiums written				Net premiums written (excluding deposit premiums)			
	Six months ended September 30, 2010		Six months ended September 30, 2011		Six months ended September 30, 2010		Six months ended September 30, 2011	
	Amount	Change ratio	Amount	Change ratio	Amount	Change ratio	Amount	Change ratio
Fire and allied	895	2.1	946	5.7	1,078	(0.8)	1,163	7.9
Marine	278	4.5	279	0.1	353	2.6	355	0.8
Personal accident	695	3.1	725	4.3	725	4.1	758	4.5
Voluntary automobile	2,759	3.6	2,839	2.9	2,758	3.3	2,844	3.1
Compulsory automobile liability	694	2.9	705	1.6	664	3.4	716	7.8
Other	911	(1.7)	939	3.1	965	(1.2)	993	3.0
Total	6,234	2.5	6,436	3.2	6,546	2.0	6,833	4.4

## (3) Net claims paid

(Yen in 100 millions)

	Six months ended September 30, 2010			Six months ended September 30, 2011			
	Amount	Change ratio	Net loss ratio	Amount	Change ratio	Net loss ratio	Change ratio
Fire and allied	344	6.3	40.5	1,244	261.1	132.7	92.2
Marine	131	(8.6)	50.2	145	10.1	54.8	4.6
Personal accident	371	7.2	59.3	373	0.6	57.5	(1.8)
Voluntary automobile	1,819	7.3	73.7	1,824	0.3	72.0	(1.7)
Compulsory automobile liability	677	1.0	105.1	673	(0.5)	103.2	(1.9)
Other	471	(16.2)	55.1	426	(9.6)	48.6	(6.5)
Total	3,816	1.9	67.1	4,688	22.8	78.6	11.5

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

## (Reference) Natural disasters during the year

(Yen in 100 millions)

	Six months ended September 30, 2010			Six months ended September 30, 2011		
	Incurred loss	Net claims paid	Outstanding claims	Incurred loss	Net claims paid	Outstanding claims
Fire and allied	9	4	4	187	24	162
Voluntary automobile	3	2	0	33	14	18
Other	1	0	1	14	1	13
Total	13	7	6	235	40	194

(Note) The above figures are related to natural disasters occurring during the fiscal year. Net claims paid, including claims related to natural disasters occurring in the previous year (excluding the Great East Japan Earthquake) are as follows.(Unit: 100 million yen.). 37 in the interim period of the year ended March 31, 2011 (Fire: 26; Voluntary Auto: 3; Others: 7); 44 in the interim period of the year ended March 31, 2012 (Fire: 26; Voluntary Auto: 14; Others: 2).

## (Reference) Natural disasters of The Great East Japan Earthquake

(Yen in 100 millions)

	Year ended March 31, 2011			Six months ended September 30, 2011		
	Incurred loss	Net claims paid	Outstanding claims	Incurred loss	Net claims paid	Outstanding claims
Residential earthquake	101	-	101	711	805	(94)
Other than residential earthquake	432	0	431	(66)	113	(179)
Total	533	0	533	645	919	(273)

(Note)1. Residential earthquake coverage amount shown is the amount reported by the Japan Earthquake Reinsurance Co., Ltd. Through the end of the interim period as the amount each group company among the private casualty insurance companies is responsible for, a portion of which includes amounts from earthquakes other than the Great East Japan Earthquake.

2. Because an amount equal to the incurred losses for residential earthquake coverage is paid down from underwriting reserves, there is no impact on P/L.

3. The line for provision for outstanding claims for the interim period of the year ending March 31, 2012 indicates the outstanding claims provision amount.

## (4) Company expenses

&lt; Corporate expenses &gt;

(Yen in 100 millions)

		Six months ended September 30, 2010			Six months ended September 30, 2011		
		Amount	Change	Change ratio	Amount	Change	Change ratio
Personnel expenses	①	799	26	3.4	797	(2)	(0.3)
Non personnel	②	531	(34)	(6.0)	528	(2)	(0.5)
Taxes and contributions	③	68	0	0.4	65	(3)	(4.7)
Total	④	1,399	(7)	(0.5)	1,391	(8)	(0.6)

(Note)Corporate expenses =Loss adjustment expenses + Operating expenses and general administrative expenses

&lt; Expenses for underwriting &gt;

(Yen in 100 millions)

		Six months ended September 30, 2010			Six months ended September 30, 2011		
		Amount	Change	Change ratio	Amount	Change	Change ratio
Operating expenses and general administrative expenses	⑤	981	(8)	(0.9)	973	(7)	(0.8)
Commission and collection expenses	⑥	1,084	47	4.6	1,126	42	3.9
Total	⑦	2,066	38	1.9	2,100	34	1.7
Net company expense ratio	⑧	33.1 %	(0.2) %		32.6 %	(0.5) %	

(Mitsui Sumitomo Insurance Co., Ltd.)

(5) Outstanding claims

( Yen in 100 millions )

	Six months ended September 30, 2010		Six months ended September 30,2011	
	Amount	Change	Amount	Change
Fire and allied	454	(11)	1,027	77
Marine	254	3	266	(1)
Personal accident	541	4	564	(9)
Voluntary automobile	2,528	9	2,502	(27)
Compulsory automobile liability	476	(6)	484	(18)
Other	983	(58)	992	39
Total	5,238	(59)	5,837	60

(Note) Outstanding claims provision for the interim period of the year ended March 31, 2011 does not accord with the change in the amount of outstanding claims (versus the end of the previous period)

(6) Incurred loss and earned-incurred loss ratio

( Yen in 100 millions )

	Six months ended September 30, 2010		Six months ended September 30,2011			
	Incurred loss	Earned- incurred loss ratio	Incurred Loss	Change	Earned- incurred loss ratio	Change
Fire and allied	351	40.5	622	271	70.2	29.7
Marine	143	50.3	151	8	54.1	3.8
Personal accident	417	65.3	408	(9)	61.8	(3.5)
Voluntary automobile	2,043	74.5	2,018	(25)	71.5	(3.0)
Other	443	50.7	496	53	58.6	7.9
Total	3,399	62.8	3,697	297	67.3	4.5

(Note) Earned-incurred loss ratio is calculated using the method below.

Figures exclude earthquake insurance(residential earthquake insurance) and CALI.

Incurred loss = Net claims paid + Loss adjustment expenses + change for outstanding claims

Earned premiums are calculated considering unearned premiums and premium reserve etc.

Earned-incurred loss ratio = Incurred loss / Earned premiums×100

(7) Underwriting reserve

( Yen in 100 millions )

		As of September 30,2011				
		Total of underwriting reserve	Ordinary underwriting reserve	Reserve for refunds and dividends to policyholders	Catastrophe reserve	Contingency reserve
Fire and allied	Amount	10,153	5,187	2,553	2,412	-
	Change	(684)	(647)	(120)	84	-
Marine	Amount	867	219	-	648	-
	Change	7	3	-	3	-
Personal accident	Amount	16,605	1,097	14,810	697	-
	Change	(150)	65	(218)	2	-
Voluntary automobile	Amount	1,899	1,711	97	91	-
	Change	(85)	17	(15)	(86)	-
CALI	Amount	2,516	2,516	-	-	-
	Change	(133)	(133)	-	-	-
Other	Amount	4,335	2,265	692	1,378	-
	Change	101	90	(29)	41	-
Total	Amount	36,379	12,998	18,152	5,228	-
	Change	(945)	(605)	(385)	44	-

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

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(8) Catastrophe reserve

( Yen in 100 millions )

	Year ended March 31, 2011		Six months ended September 30, 2011			
	Balance	Reserve ratio	Reversal	Provision	Balance	Reserve ratio
		%				%
Fire and allied	2,328	131.8	-	84	2,412	129.6
Marine	644	118.6	6	10	648	116.1
Personal accident	695	52.2	19	22	697	48.1
Voluntary automobile	177	3.2	177	91	91	1.6
Other	1,337	77.8	5	46	1,378	73.4
<b>Total</b>	<b>5,183</b>	<b>47.5</b>	<b>210</b>	<b>255</b>	<b>5,228</b>	<b>45.7</b>

(Note) Reserve ratio indicated is the ratio of net premiums written (excluding earthquake insurance (residential earthquake insurance), CALI, and Good Result Return premiums of the auto insurance "ModoRich"). Note that the reserve ratio for the interim period is calculated after doubling the net premiums written for the interim period.

(9) Balance of invested asset

( Yen in 100 millions )

	As of March 31, 2011	As of September 30, 2011	Change
Cash deposits and savings	3,528	3,872	344
Securities	41,003	38,236	(2,767)
Domestic bonds	16,975	16,547	(427)
Domestic equity	15,097	12,552	(2,544)
Foreign securities	8,528	8,762	233
Others	402	373	(29)
Loan investments	6,872	6,614	(258)
Lands and Buildings	2,093	2,037	(56)
<b>Total</b>	<b>53,498</b>	<b>50,760</b>	<b>(2,738)</b>

( Reference )

Long-term assets	18,402	18,032	(369)
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( Reference ) Breakdown of domestic bonds by issuer type

( Yen in 100 millions )

	As of March 31, 2011	As of September 30, 2011	Change
Government bonds	6,711	7,015	303
Municipal bonds	1,123	1,072	(50)
Corporate bonds	9,140	8,459	(680)
Public sector	2,894	2,638	(256)
Financial institutions	-	-	-
Corporations	6,245	5,821	(424)
<b>Total</b>	<b>16,975</b>	<b>16,547</b>	<b>(427)</b>

(10) Breakdown of interest and dividends

( Yen in 100 millions )

	Six months ended September 30, 2010	Six month ended September 30, 2011	Change
Securities	488	425	(63)
Domestic bonds	147	142	(4)
Domestic equity	157	169	11
Foreign securities	166	112	(54)
Others	17	1	(15)
Loan investments	66	60	(5)
Lands and buildings	35	30	(4)
Other	22	23	1
<b>Total</b>	<b>612</b>	<b>540</b>	<b>(72)</b>

( Mitsui Sumitomo Insurance Co., Ltd. )

(11) Securities

Unrealized gains and losses on securities

( Yen in 100 millions )

As of September 30, 2011	Acquisition cost	Fair value	Difference	Change from previous year
Domestic bonds	15,867	16,531	664	267
Domestic equity	7,458	11,826	4,367	(2,142)
Foreign securities	4,585	4,291	(293)	(223)
Others	1,810	1,844	34	0
Total	29,721	34,494	4,772	(2,096)

( Yen in 100 millions )

As of March 31, 2011	Acquisition cost	Fair value	Difference
Domestic bonds	16,562	16,959	396
Domestic equity	7,559	14,069	6,510
Foreign securities	4,932	4,862	(70)
Others	1,638	1,671	33
Total	30,693	37,563	6,869

(Note) 1. The above tables are about marketable securities available for sale (excluding those for which it is deemed extremely difficult to determine a market price).

2. "Others" includes certificates of deposit represented as cash deposits and savings, commercial paper, and beneficiary claims on loan trusts represented as monetary claims bought in the balance sheet.

Gains and losses on sale of securities

( Yen in 100 millions )

	Six months ended September 30, 2010 Gains and losses	Six months ended September 30, 2011	Gains and losses	
		Gains and losses	Gains	Losses
Domestic bonds	34	41	41	0
Domestic equity	116	144	145	0
Foreign securities	(3)	(6)	12	19
Others	0	-	-	-
Total	147	179	199	20

Losses on devaluation of securities

( Yen in 100 millions )

	Six months ended September 30, 2010	Six months ended September 30, 2011	Change
		Change	Change
Domestic bonds	-	10	10
Domestic equity	68	55	(12)
Foreign securities	8	15	7
Others	-	-	-
Total	76	81	4

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

Aioi Nissay Dowa Insurance Co., Ltd. is the combined company formed through the merger of Aioi Insurance Co., Ltd. and Nissay Dowa General Insurance Co., Ltd. on October 1, 2010. Results in these materials for the year ended March 31, 2011 or before represent a simple aggregate of the results of Aioi Insurance Co., Ltd. and Nissay Dowa General Insurance Co., Ltd.

#### (1) Profit and loss status

( Yen in 100 millions )

		Six months ended September 30,2010 (2 companies combined results)	Six months ended September 30, 2011	Change	Change ratio
( + ) Net premiums written	①	5,583	5,431	(152)	(2.7)
( - ) Net claims paid	②	3,438	4,164	725	21.1
( - ) Loss adjustment expense	③	278	255	(22)	(8.2)
( - ) Commissions and collection expenses	④	997	965	(32)	(3.2)
( - ) Operating expenses and general administrative expenses for underwriting	⑤	967	942	(24)	(2.6)
Underwriting balance	⑥	(98)	(896)	(798)	-
( - ) Outstanding claims provision	⑦	(1)	(173)	(171)	-
( - ) Ordinary underwriting reserve	⑧	(30)	(729)	(698)	-
( - ) Catastrophe reserve provision	⑨	(144)	(186)	(42)	-
( + ) Other	⑩	2	7	4	150.3
Underwriting profit/losses	⑪	81	199	118	145.9
( + ) Interest and dividends received	⑫	331	298	(32)	(9.9)
( - ) Transfer of investment income on deposit premium	⑬	122	111	(10)	(8.9)
Net interest and dividend income -	⑭	208	186	(21)	(10.5)
( + ) Net gains/losses on sale of securities	⑮	194	28	(166)	(85.5)
( - ) Losses on devaluation of securities	⑯	98	141	42	42.9
( + ) Gains/losses on derivative transactions	⑰	3	(8)	(12)	(330.0)
( + ) Other	⑱	(59)	(70)	(11)	-
Total investment income	⑲	248	(5)	(253)	(102.3)
( + ) Other ordinary income/expenses	⑳	(22)	(12)	9	-
Ordinary profit	㉑	306	181	(125)	(40.9)
( + ) Extraordinary losses	㉒	(231)	34	266	-
Reserve for price fluctuation	㉓	(9)	50	60	-
Integration-related expenses	㉔	(206)	-	206	-
Income before income taxes	㉕	74	216	141	188.2
( - ) Total income taxes	㉖	17	67	49	276.1
Net income	㉗	57	148	91	160.5

Ratios	Net loss ratio	㉘	66.6 %	81.4 %	14.8 %	
	Net expense ratio	㉙	35.2 %	35.1 %	(0.1) %	
	Combined ratio	㉚	101.8 %	116.5 %	14.7 %	
Incurred Loss	+	㉛	3,436	3,991	554	16.1

(Note) 1.Net loss ratio= ( Net claims paid + Loss adjustment expenses ) / Net premiums written×100

2.Net expense ratio=Expenses for underwriting / Net premiums written×100

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

#### Reference:Excluding Compulsory Automobile Liability Insurance

	Net premiums written	㉜	4,866	4,724	(142)	(2.9)
Ratios	Net loss ratio	㉝	62.3 %	79.2 %	16.9 %	
	Net expense ratio	㉞	35.9 %	36.1 %	0.2 %	
	Combined ratio	㉟	98.2 %	115.3 %	17.1 %	

#### Reference:Excluding residential earthquake insurance and Compulsory Automobile Liability Insurance

	Net loss ratio	㊱	62.5 %	65.8 %	3.3 %
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## (2) Net premiums written

( Yen in 100 millions )

	Net premiums written				Net premiums written (excluding deposit premiums)			
	Six months ended September 30, 2010 (2 companies combined results)		Six months ended September 30, 2011		Six months ended September 30, 2010 (2 companies combined results)		Six months ended September 30, 2011	
	Amount	Change ratio %	Amount	Change ratio %	Amount	Change ratio %	Amount	Change ratio %
Fire and allied	695	(2.6)	616	(11.3)	837	(5.8)	845	1.0
Marine	41	10.3	44	7.4	51	11.1	47	(8.0)
Personal accident	374	(0.9)	373	(0.3)	391	(2.4)	394	0.6
Voluntary automobile	3,215	2.7	3,166	(1.5)	3,116	1.0	3,091	(0.8)
Compulsory automobile liability	716	3.4	706	(1.4)	779	0.8	797	2.4
Other	539	(6.1)	523	(3.0)	709	(1.1)	699	(1.5)
Total	5,583	1.0	5,431	(2.7)	5,885	(0.4)	5,875	(0.2)

## (3) Net claims paid

( Yen in 100 millions )

	Six months ended September 30, 2010 (2 companies combined results)			Six months ended September 30, 2011			
	Amount	Change ratio %	Net loss ratio %	Amount	Change ratio %	Net loss ratio %	Change ratio %
	Fire and allied	265	9.1	40.0	1,033	290.0	169.8
Marine	26	(1.3)	66.6	25	(3.1)	60.4	(6.2)
Personal accident	185	(2.4)	53.6	178	(3.4)	51.5	(2.1)
Voluntary automobile	2,016	6.4	68.2	1,966	(2.5)	67.2	(1.0)
Compulsory automobile liability	632	1.2	95.7	631	(0.2)	96.2	0.5
Other	312	(6.2)	61.5	327	4.9	66.1	4.6
Total	3,438	3.8	66.6	4,164	21.1	81.4	14.8

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

## (Reference) Natural disasters during the year

( Yen in 100 millions )

	Six months ended September 30, 2010 (2 companies combined results)			Six months ended September 30, 2011		
	Incurring loss	Net claims paid	Outstanding claims	Incurring loss	Net claims paid	Outstanding claims
	Fire and allied	2	1	0	133	13
Voluntary automobile	1	1	0	21	7	13
Other	1	0	1	3	0	3
Total	5	2	2	158	21	137

(Note) The above figures are related to natural disasters occurring during the fiscal year. Net claims paid, including claims related to natural disasters occurring in the previous year (excluding the Great East Japan Earthquake) are as follows. (Unit: 100 million yen.)  
 22 in the interim period of the year ended March 31, 2011 (Fire: 17; Voluntary Auto: 1; Others: 4); 30 in the interim period of the year ended March 31, 2012 (Fire: 21; Voluntary Auto: 8; Others: 1).

## (Reference) Natural disasters of The Great East Japan Earthquake

( Yen in 100 millions )

	Year ended March 31, 2011			Six months ended September 30, 2011		
	Incurring loss	Net claims paid	Outstanding claims	Incurring loss	Net claims paid	Outstanding claims
Residential earthquake	80	-	80	566	641	(75)
Other than residential earthquake	194	0	194	(3)	89	(92)
Total	275	0	275	562	730	(167)

(Note) 1. Residential earthquake coverage amount shown is the amount reported by the Japan Earthquake Reinsurance Co., Ltd. Through the end of the interim period as the amount each group company among the private casualty insurance companies is responsible for, a portion of which includes amounts from earthquakes other than the Great East Japan Earthquake.  
 2. Because an amount equal to the incurred losses for residential earthquake coverage is paid down from underwriting reserves, there is no impact on P/L.  
 3. The line for provision for outstanding claims for the interim period of the year ending March 31, 2012 indicates the outstanding claims provision amount.

## (4) Company expenses

( Yen in 100 millions )

		Six months ended September 30, 2010 (2 companies combined results)			Six months ended September 30, 2011		
		Amount	Change	Change ratio %	Amount	Change	Change ratio %
		Personnel expenses	①	661	14	2.3	631
Non personnel	②	576	(52)	(8.4)	549	(26)	(4.6)
Taxes and contributions	③	64	(9)	(13.2)	59	(4)	(7.7)
Total	④	1,301	(47)	(3.5)	1,239	(61)	(4.7)

(Note) Corporate expenses = Loss adjustment expenses + Operating expenses and general administrative expenses

## &lt; Expenses for underwriting &gt;

( Yen in 100 millions )

		Six months ended September 30, 2010 (2 companies combined results)			Six months ended September 30, 2011		
		Amount	Change	Change ratio %	Amount	Change	Change ratio %
		Operating expenses and general administrative expenses	⑤	967	12	1.3	942
Commission and collection expenses	⑥	997	26	2.7	965	(32)	(3.2)
Total	⑦	1,964	38	2.0	1,907	(56)	(2.9)
Net company expense ratio	⑧	35.2 %	0.4 %		35.1 %	(0.1) %	

( Aioi Nissay Dowa Insurance Co., Ltd. )

(5) Outstanding claims

( Yen in 100 millions )

	Six months ended September 30,2010 (2 companies combined results)		Six months ended September 31, 2011	
	Amount		Amount	
		Change		Change
Fire and allied	320	(1)	570	(36)
Marine	38	(7)	38	(6)
Personal accident	292	4	305	(7)
Voluntary automobile	2,542	70	2,673	(18)
Compulsory automobile liability	449	(3)	459	(14)
Other	759	(64)	608	(88)
Total	4,402	(1)	4,656	(173)

(6) Incurred loss and earned-incurred loss ratio

( Yen in 100 millions )

	Six months ended September 30,2010 (2 companies combined results)		Six months ended September 30, 2011			
	Incurred loss	Earned-incurred loss ratio	Incurred Loss	Change	Earned- incurred loss ratio	Change
		%			%	%
Fire and allied	276	41.5	444	167	64.4	22.9
Marine	20	46.2	20	(0)	45.2	(1.0)
Personal accident	205	57.8	184	(20)	53.2	(4.6)
Voluntary automobile	2,263	71.4	2,109	(153)	66.1	(5.3)
Other	267	51.2	257	(10)	52.1	0.9
Total	3,032	63.7	3,015	(17)	63.3	(0.4)

(Note) Earned-incurred loss ratio is calculated using the method below.

Figures exclude earthquake insurance (residential earthquake insurance) and CALI.

Incurred loss = Net claims paid + Loss adjustment expenses + change for outstanding claims

Earned premiums are calculated considering unearned premiums and premium reserve etc.

Earned-incurred loss ratio = Incurred loss / Earned premiums×100

(7) Underwriting reserve

( Yen in 100 millions )

		As of September 30, 2011				
		Total of underwriting reserve	Ordinary underwriting reserve	Reserve for refunds and dividends to policyholders	Catastrophe reserve	Contingency reserve
Fire and allied	Amount	7,890	4,909	1,335	1,643	2
	Change	(741)	(637)	(59)	(44)	-
Marine	Amount	156	34	-	122	-
	Change	(4)	1	-	(5)	-
Personal accident	Amount	6,548	590	5,421	532	3
	Change	(164)	27	(203)	11	-
Voluntary automobile	Amount	1,946	1,840	4	102	0
	Change	(185)	(24)	0	(160)	-
CALI	Amount	2,677	2,677	-	-	-
	Change	(121)	(121)	-	-	-
Other	Amount	1,985	1,244	188	552	0
	Change	33	25	(5)	13	-
Total	Amount	21,204	11,295	6,949	2,952	6
	Change	(1,184)	(729)	(268)	(186)	-

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

( Aioi Nissay Dowa Insurance Co., Ltd. )

(8) Catastrophe reserve

( Yen in 100 millions )

	Year ended March 31, 2011		Six months ended September 30, 2011			
	Balance	Reserve ratio	Reversal	Provision	Balance	Reserve ratio
Fire and allied	1,688	125.1 %	81	36	1,643	136.1 %
Marine	127	147.7	7	1	122	136.4
Personal accident	520	71.3	0	11	532	71.3
Voluntary automobile	263	4.1	263	102	102	1.6
Other	538	53.0	10	23	552	52.7
Total	3,138	32.8	362	175	2,952	31.3

(Note) Reserve ratio indicated is the ratio of net premiums written (excluding earthquake insurance (residential earthquake insurance) and CALI).  
Note that the reserve ratio for the interim period is calculated after doubling the net premiums written for the interim period.

(9) Balance of invested asset

( Yen in 100 millions )

	As of March 31, 2011	As of September 30, 2011	Change
Cash deposits and savings	2,515	1,497	(1,017)
Securities	20,332	20,094	(238)
Domestic bonds	6,509	7,110	600
Domestic equity	6,626	6,133	(492)
Foreign securities	6,352	6,109	(242)
Others	845	740	(104)
Loan investments	3,251	3,015	(236)
Lands and buildings	1,894	1,882	(12)
Total	27,994	26,489	(1,504)

( Reference )

Long-term assets	7,211	6,943	(267)
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( Reference ) Breakdown of domestic bonds by issuer type

( Yen in 100 millions )

	As of March 31, 2011	As of September 30, 2011	Change
Government bonds	3,123	3,941	818
Municipal bonds	430	440	9
Corporate bonds	2,955	2,728	(227)
Public sector	1,074	970	(104)
Financial institutions	48	48	(0)
Corporations	1,832	1,709	(122)
Total	6,509	7,110	600

(10) Breakdown of interest and dividends

( Yen in 100 millions )

	Six months ended September 30, 2010 (2 companies combined results)	Six months ended September 30, 2011	Change
Securities	263	237	(26)
Domestic bonds	52	51	(1)
Domestic equity	72	78	6
Foreign securities	114	95	(18)
Others	23	11	(12)
Loan investments	32	28	(4)
Lands and buildings	29	26	(2)
Other	5	5	0
Total	331	298	(32)

## (11) Securities

## Unrealized gains and losses on securities

(Yen in 100 millions)

As of September 30, 2011	Acquisition cost	Fair value	Difference	Change from
Domestic bonds	6,879	7,110	230	105
Domestic equity	4,970	5,374	404	(372)
Foreign securities	6,312	5,670	(642)	(65)
Others	711	588	(123)	(54)
Total	18,874	18,743	(130)	(386)

(Yen in 100 millions)

As of March 31, 2011	Acquisition cost	Fair value	Difference
Domestic bonds	6,383	6,509	125
Domestic equity	5,087	5,863	776
Foreign securities	6,491	5,913	(577)
Others	749	681	(68)
Total	18,712	18,968	255

(Note) 1. The above tables are about marketable securities available for sale (excluding those for which it is deemed extremely difficult to determine a market price).

2. "Others" includes beneficiary claims on loan trusts represented as monetary claims bought in the balance sheets.

## Gains and losses on sale of securities

(Yen in 100 millions)

	Six months ended September 30, 2010 (2 companies combined results) Gains and losses	Six months ended September 30, 2011		
		Gains and losses	Gains	Losses
Domestic bonds	59	12	12	0
Domestic equity	93	18	18	0
Foreign securities	37	5	46	40
Others	4	(8)	-	8
Total	194	28	76	48

## Losses on devaluation of securities

(Yen in 100 millions)

	Six months ended September 30, 2010 (2 companies combined results)	Six months ended September 30, 2011	
			Change
Domestic bonds	0	-	(0)
Domestic equity	98	126	27
Foreign securities	-	15	15
Others	0	-	(0)
Total	98	141	42

## 4. Earnings forecast

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

( Yen in 100 millions )

		Forecast for year ending March 31, 2012	Change from previous year
Net premiums written <sup>*1</sup>	①	25,620	0.8 %
(Overseas non-life insurance subsidiaries)	②	1,846	2.2 %
Ordinary profit	③	240	29
Net income	④	60	5
Dividend per share (annual)	⑤	54.00 yen	nil

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

( Yen in 100 millions )

		Forecast for year ending March 31, 2012	Change from previous year
Net premiums written <sup>*1</sup>	⑥	12,590	2.3 %
Ordinary profit	⑦	280	(37)
Net income	⑧	180	(48)

### (3) Aioi Nissay Dowa Insurance Co., Ltd. <sup>\*2</sup> (Non-Consolidated)

( Yen in 100 millions )

		Forecast for year ending March 31, 2012	Change from previous year
Net premiums written	⑨	10,840	(1.2) %
Ordinary profit	⑩	110	(50)
Net income	⑪	120	234

- (Note) 1. Figures are presented exclusive of the GRR premiums of the automobile insurance “ModoRich”, which contains a special clause for premium adjustment and refund at maturity.  
 2. Figures of “Change from previous year” for Aioi Nissay Dowa Insurance Co., Ltd. are computed in comparison with the simple sum of (i) results for the year ended March 31, 2011 of Aioi Nissay Dowa Insurance Co., Ltd. and (ii) results for the six months ended September 30, 2010 of Nissay Dowa Insurance

( Breakdown of earnings forecast )

**Mitsui Sumitomo Insurance Co., Ltd. (Non-Consolidated)**

( Yen in 100 millions )

	Results for the year ended March 31, 2011	Forecast for the year ending March 31, 2012
Gross premiums written (excl. deposit premiums)	12,961	13,390
Change ratio	2.0 %	3.3 %
Net premiums written	12,305	12,590
Change ratio	2.2 %	2.3 %
Net loss ratio	68.4 %	85.7 %
Net expense ratio	33.9 %	33.7 %
Combined ratio	102.3 %	119.4 %
Underwriting profit	(503)	(170)
Net interest and dividends	606	510
Ordinary profit	317	280
Net income	228	180

Reference: excluding compulsory automobile liability insurance

	Results for the year ended March 31, 2011	Forecast for the year ending March 31, 2012
Net premiums written change ratio	2.4 %	1.8 %
Net loss ratio	63.5 %	83.7 %
Net expense ratio	35.2 %	35.4 %
Combined ratio	98.7 %	119.1 %

Forecast by line of business

( Yen in 100 millions )

	Net premiums written		Loss ratio	
		Change ratio		Change
Fire and allied	1,840	2.0 %	165.2 %	125.0 %
Marine	531	(2.3) %	60.8 %	10.1 %
Personal accident	1,378	3.5 %	60.7 %	(1.2) %
Voluntary automobile	5,672	2.1 %	73.6 %	(1.2) %
Compulsory automobile liability	1,443	6.6 %	100.8 %	(6.9) %
Other	1,726	0.4 %	55.4 %	(1.5) %
Total	12,590	2.3 %	85.7 %	17.3 %

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

( Yen in 100 millions )

	Results for the year ended March 31, 2011 (2 companies combined results)	Forecast for the year ending March 31, 2012
Gross premiums written (excl. deposit premiums)	11,614	11,856
Change ratio	(1.8) %	2.1 %
Net premiums written	10,973	10,840
Change ratio	(0.8) %	(1.2) %
Net loss ratio	68.2 %	78.5 %
Net expense ratio	35.6 %	35.5 %
Combined ratio	103.8 %	114.0 %
Underwriting profit	(333)	0
Net interest and dividends	428	350
Ordinary profit	160	110
Net income	(114)	120

Reference: excluding compulsory automobile liability insurance

	Results for the year ended March 31, 2011 (2 companies combined results)	Forecast for the year ending March 31, 2012
Net premiums written (change ratio)	(1.0) %	(2.1) %
Net loss ratio	63.8 %	76.2 %
Net expense ratio	36.5 %	37.3 %
Combined ratio	100.3 %	113.5 %

Forecast by line of business

( Yen in 100 millions )

	Net premiums written		Loss ratio	
		Change ratio		Change
Fire and allied	1,267	(8.2) %	122.2 %	81.6 %
Marine	99	14.5 %	69.7 %	14.1 %
Personal accident	705	(3.5) %	54.2 %	0.1 %
Voluntary automobile	6,365	(0.2) %	69.4 %	0.4 %
Compulsory automobile Liability	1,451	5.0 %	93.5 %	(5.0) %
Other	953	(6.2) %	77.9 %	7.2 %
Total	10,840	(1.2) %	78.5 %	10.3 %

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

Consolidated

(Yen in millions)

Lines of Insurance	Six months ended September 30, 2010			Six months ended September 30, 2011		
	Amount	Share %	Change % (Note 2)	Amount	Share %	Change %
Fire and Allied	249,470	16.7	(2.6)	254,341	16.9	2.0
Marine	55,285	3.7	0.4	56,349	3.7	1.9
Personal Accident	201,282	13.5	8.6	190,650	12.7	(5.3)
Voluntary Automobile	640,866	42.9	2.7	645,936	43.0	0.8
Compulsory Automobile Liability	144,452	9.7	2.0	151,442	10.1	4.8
Other	202,106	13.5	(3.6)	204,075	13.6	1.0
<b>Total</b>	<b>1,493,464</b>	<b>100.0</b>	<b>1.5</b>	<b>1,502,796</b>	<b>100.0</b>	<b>0.6</b>
Deposit premiums from policyholders	114,356	7.7	12.2	93,688	6.2	(18.1)

<Excluding the GRR premiums of the automobile insurance "ModoRich.">

Voluntary Automobile	639,783		2.3	647,487		1.2
<b>Total</b>	<b>1,492,380</b>		<b>1.3</b>	<b>1,504,347</b>		<b>0.8</b>

**Net Premiums Written by Lines of Insurance**

(Yen in millions)

Lines of Insurance	Six months ended September 30, 2010			Six months ended September 30, 2011		
	Amount	Share %	Change % (Note 2)	Amount	Share %	Change %
Fire and Allied	181,878	14.0	1.2	178,937	13.7	(1.6)
Marine	46,740	3.6	6.9	47,033	3.6	0.6
Personal Accident	110,483	8.5	2.1	114,192	8.8	3.4
Voluntary Automobile	647,847	49.8	3.8	650,962	49.9	0.5
Compulsory Automobile Liability	141,232	10.8	3.2	141,390	10.9	0.1
Other	173,429	13.3	(4.5)	171,152	13.1	(1.3)
<b>Total</b>	<b>1,301,611</b>	<b>100.0</b>	<b>2.2</b>	<b>1,303,670</b>	<b>100.0</b>	<b>0.2</b>

<Excluding the GRR premiums of the automobile insurance "ModoRich.">

Voluntary Automobile	646,763		3.5	652,513		0.9
<b>Total</b>	<b>1,300,527</b>		<b>2.0</b>	<b>1,305,221</b>		<b>0.4</b>

**Net Claims Paid by Lines of Insurance**

(Yen in millions)

Lines of Insurance	Six months ended September 30, 2010			Six months ended September 30, 2011		
	Amount	Share %	Change % (Note 2)	Amount	Share %	Change %
Fire and Allied	69,388	8.9	3.1	235,480	24.8	239.4
Marine	20,753	2.7	(5.7)	23,066	2.4	11.1
Personal Accident	56,786	7.2	4.0	56,430	5.9	(0.6)
Voluntary Automobile	413,957	52.8	7.3	412,193	43.3	(0.4)
Compulsory Automobile Liability	131,154	16.7	1.1	130,722	13.7	(0.3)
Other	91,837	11.7	(32.3)	93,939	9.9	2.3
<b>Total</b>	<b>783,877</b>	<b>100.0</b>	<b>(1.4)</b>	<b>951,832</b>	<b>100.0</b>	<b>21.4</b>

(Notes)

1. Any figures are amounts after the off-set of intersegment transactions.
2. Figures are comparisons with the simple combination of the prior year results of Mitsui Sumitomo Insurance Group Holdings, Inc. (Consolidated), Aioi Insurance Co., Ltd. (Consolidated) and Nissay Dowa General Insurance Co., Ltd. (Non-Consolidated).

## Securities available for sale

(Yen in millions)

Items		As of March 31, 2011			As of September 30, 2011		
		Fair value	Acquisition cost	Difference	Fair value	Acquisition cost	Difference
In case fair values exceed cost or amortized cost	Domestic Bonds	2,683,324	2,609,839	73,485	3,118,699	2,995,266	123,432
	Domestic Stocks	1,417,050	731,582	685,468	1,109,964	633,029	476,935
	Foreign Securities	599,176	567,089	32,086	550,190	520,506	29,683
	Others	86,799	82,330	4,468	95,365	90,063	5,302
	Sub Total	4,786,350	3,990,842	795,508	4,874,220	4,238,865	635,354
In case fair values do not exceed cost or amortized cost	Domestic Bonds	413,180	420,756	(7,575)	135,181	142,360	(7,178)
	Domestic Stocks	576,858	649,691	(72,833)	610,561	692,610	(82,049)
	Foreign Securities	821,005	880,671	(59,666)	815,260	902,676	(87,416)
	Others	150,070	156,798	(6,728)	149,267	162,600	(13,332)
	Sub Total	1,961,114	2,107,917	(146,803)	1,710,271	1,900,248	(189,977)
Total		6,747,465	6,098,760	648,704	6,584,491	6,139,114	445,376

As of March 31, 2011	As of September 30, 2011
<p>1. Securities (available for sale) for which are deemed to be extremely difficult to determine the fair value are not included in the above table.</p> <p>2. Others include certificate of deposit represented as cash deposits and savings, commercial papers and beneficiary claims on loan trusts represented as monetary claims bought in the consolidated balance sheets.</p> <p>3. Impairment losses of securities (available for sale) with fair value amount to 18,822 million yen; 472 million yen for domestic bonds, 17,174 million yen for domestic stocks, 1,175 million yen for foreign securities, 0 million yen for others.</p> <p>Impairment losses of domestic stocks (available for sale), for which are deemed to be extremely difficult to determine the fair value, amount to 390 million yen.</p> <p>The Company and its domestic consolidated subsidiaries in principle recognize impairment losses on securities if the fair value is declined by more than 30% of their cost or amortized cost.</p>	<p>1. Securities (available for sale) for which are deemed to be extremely difficult to determine the fair value are not included in the above table.</p> <p>2. Others include certificate of deposit represented as cash deposits and savings, commercial papers and beneficiary claims on loan trusts represented as monetary claims bought in the consolidated balance sheets.</p> <p>3. Impairment losses of securities (available for sale) with fair value amount to 53,404 million yen; 1,072 million yen for domestic bonds, 50,478 million yen for domestic stocks, 1,853 million yen for foreign securities.</p> <p>Impairment losses of domestic stocks (available for sale), for which are deemed to be extremely difficult to determine the fair value, amount to 297 million yen.</p> <p>The Company and its domestic consolidated subsidiaries in principle recognize impairment losses on securities if the fair value is declined by more than 30% of their cost or amortized cost.</p>

**Non-Consolidated Statements of Income**

(Yen in millions)

Items	Six months ended September 30, 2010	Six months ended September 30, 2011
	Amount	Amount
<b>Ordinary income:</b>	<b>862,144</b>	<b>882,442</b>
<b>Underwriting income:</b>	<b>798,963</b>	<b>829,722</b>
Net premiums written	624,564	642,092
Deposit premiums from policyholders	81,976	68,973
Investment income on deposit premiums from policyholders	25,944	24,099
Reversal of outstanding claims	5,916	-
Reversal of underwriting reserves	60,513	94,510
<b>Investment income:</b>	<b>61,627</b>	<b>51,298</b>
Interest and dividends received	61,299	54,035
Investment gains on money trusts	36	124
Gains on sale of securities	18,510	19,975
Gains on derivative transactions	5,497	615
Transfer of investment income on deposit premiums from policyholders	(25,944)	(24,099)
<b>Other ordinary income</b>	<b>1,553</b>	<b>1,421</b>
<b>Ordinary expenses:</b>	<b>815,472</b>	<b>874,188</b>
<b>Underwriting expenses:</b>	<b>693,948</b>	<b>752,720</b>
Net claims paid	381,675	468,828
Loss adjustment expenses	36,570	36,958
Commission and collection expenses	108,448	112,680
Maturity refunds to policyholders	165,332	126,134
Provision for outstanding claims	-	6,086
<b>Investment expenses:</b>	<b>17,109</b>	<b>17,436</b>
Investment losses on money trusts	255	117
Losses on sale of securities	3,748	2,046
Losses on devaluation of securities	7,655	8,128
<b>Operating expenses and general and   administrative expenses</b>	<b>103,340</b>	<b>102,151</b>
<b>Other ordinary expenses:</b>	<b>1,073</b>	<b>1,879</b>
Interest paid	817	1,054
<b>Ordinary profit</b>	<b>46,672</b>	<b>8,254</b>
<b>Extraordinary income</b>	<b>927</b>	<b>450</b>
<b>Extraordinary losses</b>	<b>11,007</b>	<b>4,428</b>
<b>Income before income taxes</b>	<b>36,591</b>	<b>4,276</b>
<b>Income taxes - current</b>	<b>7,256</b>	<b>3,984</b>
<b>Income taxes - deferred</b>	<b>1,951</b>	<b>(5,034)</b>
<b>Total income taxes</b>	<b>9,207</b>	<b>(1,049)</b>
<b>Net income</b>	<b>27,384</b>	<b>5,326</b>

**Solvency Margin Ratio**

(Yen in millions)

	As of March 31, 2011	As of September 30, 2011
(A) Total amount of solvency margin	1,999,806	1,738,152
Total net assets	593,235	593,043
Reserve for price fluctuation	5,396	6,765
Contingency reserve	-	-
Catastrophe reserve	598,062	533,379
General bad debts reserve	1,180	1,009
Net unrealized gains/losses on securities (Prior to tax effect deductions)	611,738	422,318
Net unrealized gains/losses on land	45,496	37,243
Excess of policyholders' contract deposits	-	-
Subordinated debts, etc.	-	-
Deductions	35,083	35,106
Others	179,780	179,498
(B) Total amount of risks	520,222	456,741
$\sqrt{(R_1 + R_2)^2 + (R_3 + R_4)^2} + R_5 + R_6$		
General insurance risk (R <sub>1</sub> )	72,699	72,604
Third sector insurance risk (R <sub>2</sub> )	-	-
Assumed interest risk (R <sub>3</sub> )	6,220	6,192
Asset management risk (R <sub>4</sub> )	276,000	267,393
Business administration risk (R <sub>5</sub> )	11,445	10,193
Catastrophe risk (R <sub>6</sub> )	217,343	163,491
(C) Solvency margin ratio [(A)/{(B)×1/2}]×100	768.8%	761.1%

(Reference)

**Solvency Margin Ratio calculated under the revised standard scheduled to be applied from March 31, 2012**

(Yen in millions)

	As of March 31, 2011	As of September 30, 2011
(A) Total amount of solvency margin	1,999,806	1,738,152
Total net assets	593,235	593,043
Reserve for price fluctuation	5,396	6,765
Contingency reserve	-	-
Catastrophe reserve	598,062	533,379
General bad debts reserve	1,180	1,009
Net unrealized gains/losses on securities (Prior to tax effect deductions)	611,738	422,318
Net unrealized gains/losses on land	45,496	37,243
Excess of policyholders' contract deposits (a)	-	-
Subordinated debts, etc. (b)	-	-
Amount excluded from the margin out of (a) and (b)	-	-
Deductions	35,083	35,106
Others	179,780	179,498
(B) Total amount of risks	747,903	665,790
$\sqrt{(R_1 + R_2)^2 + (R_3 + R_4)^2} + R_5 + R_6$		
General insurance risk (R <sub>1</sub> )	104,152	103,893
Third sector insurance risk (R <sub>2</sub> )	-	-
Assumed interest risk (R <sub>3</sub> )	22,378	22,203
Asset management risk (R <sub>4</sub> )	475,684	445,182
Business administration risk (R <sub>5</sub> )	16,495	14,868
Catastrophe risk (R <sub>6</sub> )	222,571	172,128
(C) Solvency margin ratio [(A)/{(B)×1/2}]×100	534.7%	522.1%

**Non-Consolidated Statements of Income**

(Yen in millions)

Items	Six months ended September 30, 2010	Six months ended September 30, 2011
	Amount	Amount
<b>Ordinary income:</b>	<b>700,402</b>	<b>743,729</b>
<b>Underwriting income:</b>	<b>653,049</b>	<b>716,024</b>
Net premiums written	558,327	543,110
Deposit premiums from policyholders	32,379	24,715
Investment income on deposit premiums from policyholders	12,257	11,162
Reversal of outstanding claims	5,672	17,344
Reversal of underwriting reserves	41,334	118,427
<b>Investment income:</b>	<b>45,544</b>	<b>26,394</b>
Interest and dividends received	33,117	29,830
Investment gains on money trusts	0	0
Gains on sale of securities	23,280	7,689
Gains on derivative transactions	1,211	-
Transfer of investment income on deposit premiums from policyholders	(12,257)	(11,162)
<b>Other ordinary income</b>	<b>1,808</b>	<b>1,309</b>
<b>Ordinary expenses:</b>	<b>669,728</b>	<b>725,597</b>
<b>Underwriting expenses:</b>	<b>549,777</b>	<b>602,785</b>
Net claims paid	343,853	416,451
Loss adjustment expenses	27,818	25,549
Commission and collection expenses	99,724	96,515
Maturity refunds to policyholders	67,364	59,995
Provision for outstanding claims	5,507	-
<b>Investment expenses:</b>	<b>16,859</b>	<b>23,435</b>
Losses on trading securities	4	-
Losses on sale of securities	3,837	4,877
Losses on devaluation of securities	9,895	14,138
Losses on derivative transactions	843	846
<b>Operating expenses and general and   administrative expenses</b>	<b>102,317</b>	<b>98,436</b>
<b>Other ordinary expenses:</b>	<b>773</b>	<b>939</b>
Interest paid	0	1
<b>Ordinary profit</b>	<b>30,673</b>	<b>18,131</b>
<b>Extraordinary income</b>	<b>62</b>	<b>5,617</b>
<b>Extraordinary losses</b>	<b>23,237</b>	<b>2,142</b>
<b>Income before income taxes</b>	<b>7,498</b>	<b>21,606</b>
<b>Income taxes - current</b>	<b>2,128</b>	<b>142</b>
<b>Income taxes - deferred</b>	<b>(335)</b>	<b>6,602</b>
<b>Total income taxes</b>	<b>1,793</b>	<b>6,744</b>
<b>Net income</b>	<b>5,704</b>	<b>14,862</b>

**Solvency Margin Ratio**

(Yen in millions)

	As of March 31, 2011	As of September 30, 2011
(A) Total amount of solvency margin	953,479	851,282
Total net assets	454,696	466,094
Reserve for price fluctuation	6,023	937
Contingency reserve	693	693
Catastrophe reserve	376,115	302,454
General bad debts reserve	468	373
Net unrealized gains/losses on securities (Prior to tax effect deductions)	23,068	(13,251)
Net unrealized gains/losses on land	12,396	7,889
Excess of policyholders' contract deposits	-	-
Subordinated debts, etc.	-	-
Deductions	31,326	30,927
Others	111,342	117,017
(B) Total amount of risks	279,763	252,880
$\sqrt{(R_1 + R_2)^2 + (R_3 + R_4)^2} + R_5 + R_6$		
General insurance risk (R <sub>1</sub> )	67,336	67,346
Third sector insurance risk (R <sub>2</sub> )	-	-
Assumed interest risk (R <sub>3</sub> )	3,146	3,079
Asset management risk (R <sub>4</sub> )	108,785	100,268
Business administration risk (R <sub>5</sub> )	6,439	5,886
Catastrophe risk (R <sub>6</sub> )	142,698	123,639
(C) Solvency margin ratio [(A)/{(B)×1/2}]×100	681.6%	673.2%

(Reference)

**Solvency Margin Ratio calculated under the revised standard scheduled to be applied from March 31, 2012**

(Yen in millions)

	As of March 31, 2011	As of September 30, 2011
(A) Total amount of solvency margin	953,479	851,282
Total net assets	454,696	466,094
Reserve for price fluctuation	6,023	937
Contingency reserve	693	693
Catastrophe reserve	376,115	302,454
General bad debts reserve	468	373
Net unrealized gains/losses on securities (Prior to tax effect deductions)	23,068	(13,251)
Net unrealized gains/losses on land	12,396	7,889
Excess of policyholders' contract deposits (a)	-	-
Subordinated debts, etc. (b)	-	-
Amount excluded from the margin out of (a) and (b)	-	-
Deductions	31,326	30,927
Others	111,342	117,017
(B) Total amount of risks	374,833	338,654
$\sqrt{(R_1 + R_2)^2 + (R_3 + R_4)^2} + R_5 + R_6$		
General insurance risk (R <sub>1</sub> )	99,063	99,171
Third sector insurance risk (R <sub>2</sub> )	-	-
Assumed interest risk (R <sub>3</sub> )	11,681	11,419
Asset management risk (R <sub>4</sub> )	188,438	170,193
Business administration risk (R <sub>5</sub> )	8,837	8,088
Catastrophe risk (R <sub>6</sub> )	142,698	123,639
(C) Solvency margin ratio [(A)/{(B)×1/2}]×100	508.7%	502.7%

**Non-Consolidated Statements of Income**

(Yen in millions)

Items	Six months ended September 30, 2010	Six months ended September 30, 2011
	Amount	Amount
<b>Ordinary income:</b>	<b>17,118</b>	<b>17,473</b>
<b>Underwriting income:</b>	<b>17,008</b>	<b>17,376</b>
Net premiums written	16,224	16,851
Investment income on deposit premiums from policyholders	6	6
Reversal of underwriting reserves	777	517
<b>Investment income:</b>	<b>109</b>	<b>96</b>
Interest and dividends received	115	103
Gains on sale of securities	0	-
Transfer of investment income on deposit premiums from policyholders	(6)	(6)
<b>Other ordinary income</b>	<b>0</b>	<b>0</b>
<b>Ordinary expenses:</b>	<b>16,872</b>	<b>16,991</b>
<b>Underwriting expenses:</b>	<b>13,308</b>	<b>13,407</b>
Net claims paid	11,470	11,375
Loss adjustment expenses	1,086	1,119
Commission and collection expenses	124	115
Provision for outstanding claims	627	797
<b>Investment expenses</b>	<b>-</b>	<b>-</b>
<b>Operating expenses and general and   administrative expenses</b>	<b>3,564</b>	<b>3,583</b>
<b>Other ordinary expenses</b>	<b>0</b>	<b>0</b>
<b>Ordinary profit</b>	<b>245</b>	<b>481</b>
<b>Extraordinary income</b>	<b>0</b>	<b>-</b>
<b>Extraordinary losses</b>	<b>4</b>	<b>6</b>
<b>Income before income taxes</b>	<b>241</b>	<b>475</b>
<b>Income taxes - current</b>	<b>6</b>	<b>8</b>
<b>Total income taxes</b>	<b>6</b>	<b>8</b>
<b>Net income</b>	<b>235</b>	<b>466</b>

**Solvency Margin Ratio**

(Yen in millions)

	As of March 31, 2011	As of September 30, 2011
(A) Total amount of solvency margin	11,105	11,236
Total net assets	9,845	10,312
Reserve for price fluctuation	17	20
Contingency reserve	0	0
Catastrophe reserve	1,058	547
General bad debts reserve	0	0
Net unrealized gains/losses on securities (Prior to tax effect deductions)	184	356
Net unrealized gains/losses on land	-	-
Excess of policyholders' contract deposits	-	-
Subordinated debts, etc.	-	-
Deductions	-	-
Others	-	-
(B) Total amount of risks	3,470	3,471
$\sqrt{(R_1 + R_2)^2 + (R_3 + R_4)^2} + R_5 + R_6$		
General insurance risk (R <sub>1</sub> )	3,054	3,054
Third sector insurance risk (R <sub>2</sub> )	-	-
Assumed interest risk (R <sub>3</sub> )	0	0
Asset management risk (R <sub>4</sub> )	227	236
Business administration risk (R <sub>5</sub> )	107	107
Catastrophe risk (R <sub>6</sub> )	300	300
(C) Solvency margin ratio [(A)/{(B)×1/2}]×100	640.0%	647.4%

(Reference)

**Solvency Margin Ratio calculated under the revised standard scheduled to be applied from March 31, 2012**

(Yen in millions)

	As of March 31, 2011	As of September 30, 2011
(A) Total amount of solvency margin	11,105	11,236
Total net assets	9,845	10,312
Reserve for price fluctuation	17	20
Contingency reserve	0	0
Catastrophe reserve	1,058	547
General bad debts reserve	0	0
Net unrealized gains/losses on securities (Prior to tax effect deductions)	184	356
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	5,295	5,299
$\sqrt{(R_1 + R_2)^2 + (R_3 + R_4)^2} + R_5 + R_6$		
General insurance risk (R <sub>1</sub> )	4,799	4,799
Third sector insurance risk (R <sub>2</sub> )	-	-
Assumed interest risk (R <sub>3</sub> )	0	0
Asset management risk (R <sub>4</sub> )	515	543
Business administration risk (R <sub>5</sub> )	168	169
Catastrophe risk (R <sub>6</sub> )	300	300
(C) Solvency margin ratio [(A)/{(B)×1/2}]×100	419.4%	424.0%

**Non-Consolidated Statements of Income**

(Yen in millions)

Items	Six months ended September 30, 2010	Six months ended September 30, 2011
	Amount	Amount
<b>Ordinary income:</b>	<b>125,967</b>	<b>140,053</b>
<b>Insurance premiums and other:</b>	<b>114,970</b>	<b>128,273</b>
Insurance premiums	114,919	128,225
<b>Investment income:</b>	<b>10,841</b>	<b>11,126</b>
Interest and dividends received	10,344	10,947
Gains on sale of securities	497	171
<b>Other ordinary income:</b>	<b>154</b>	<b>654</b>
Reversal of outstanding claims	-	520
<b>Ordinary expenses:</b>	<b>123,665</b>	<b>137,230</b>
<b>Insurance claims and other:</b>	<b>63,329</b>	<b>58,620</b>
Insurance claims	16,140	13,665
Annuity payments	1,668	2,063
Benefits	3,111	3,473
Surrender benefits	41,573	38,855
Other refunds	579	360
<b>Provision for underwriting reserves and other:</b>	<b>37,603</b>	<b>54,273</b>
Provision for outstanding claims	443	-
Provision for underwriting reserves	37,159	54,272
Provision of interest portion of reserves for dividends to policyholders	0	0
<b>Investment expenses:</b>	<b>674</b>	<b>517</b>
Interest paid	11	8
Losses on sale of securities	504	507
Losses on devaluation of securities	157	-
<b>Operating expenses</b>	<b>20,347</b>	<b>21,937</b>
<b>Other ordinary expenses</b>	<b>1,710</b>	<b>1,882</b>
<b>Ordinary profit</b>	<b>2,301</b>	<b>2,823</b>
<b>Extraordinary income</b>	<b>3</b>	<b>2</b>
<b>Extraordinary losses</b>	<b>808</b>	<b>2,232</b>
<b>Provision for reserve for dividends to policyholders</b>	<b>1,221</b>	<b>1,241</b>
<b>Income (loss) before income taxes</b>	<b>275</b>	<b>(648)</b>
<b>Income taxes - current</b>	<b>873</b>	<b>(29)</b>
<b>Income taxes - deferred</b>	<b>(632)</b>	<b>(115)</b>
<b>Total income taxes</b>	<b>240</b>	<b>(145)</b>
<b>Net income (loss)</b>	<b>34</b>	<b>(502)</b>

**Results for the Six Months Ended September 30, 2011****Amount of Policies in Force and New Policies**

(1) Amount of policies in force

(Yen in millions)

	As of March 31, 2011		As of September 30, 2011	
	Number of policies (in thousands)	Amount	Number of policies (in thousands)	Amount
Individual Insurance	1,280	9,810,772	1,358	10,260,089
Individual Annuities	71	327,368	74	340,141
Group Insurance	-	2,444,411	-	2,419,746
Group Annuities	-	-	-	-

(Note) The amount in individual annuities is the sum of (a) the funds to be held at the time annuity payments are to commence for an annuity for which payment has not yet commenced, and (b) the amount of policy reserve for an annuity for which payments have commenced.

(2) Amount of new policies

(Yen in millions)

	Six months ended September 30, 2010				Six months ended September 30, 2011			
	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	119	813,311	813,311	-	120	957,308	957,308	-
Individual Annuities	3	18,310	18,310	-	4	25,091	25,091	-
Group Insurance	-	20,049	20,049	-	-	6,459	6,459	-
Group Annuities	-	-	-	-	-	-	-	-

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

**Annualized Premiums**

(1) Amount of policies in force

(Yen in millions)

	As of March 31, 2011	As of September 30, 2011
Individual Insurance	181,604	186,493
Individual Annuities	19,718	20,407
Total	201,322	206,901
Medical coverage, living benefits, etc.	39,651	42,605

(2) Amount of new policies

(Yen in millions)

	Six months ended September 30, 2010	Six months ended September 30, 2011
Individual Insurance	14,116	14,981
Individual Annuities	1,032	1,378
Total	15,148	16,360
Medical coverage, living benefits, etc.	4,563	4,395

(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 single-payment policy is the premium divided by the number of years of coverage.
2. "Medical coverage, living benefits, etc." shows 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.).

Summary of Non-Consolidated Results of Operations

(Yen in millions)

	Six months ended September 30, 2010	Six months ended September 30, 2011	Change
Fundamental revenues:	125,470	139,880	14,410
Insurance premiums and other	114,970	128,273	13,302
Fundamental expense	122,724	136,270	13,546
Fundamental profit	2,745	3,610	864
Capital gains (losses)	(165)	(337)	(171)
Non-recurring gains (losses)	(278)	(449)	(171)
Ordinary profit	2,301	2,823	521
Extraordinary income	3	2	(1)
Extraordinary losses	808	2,232	1,424
Provision for reserve for dividends to policyholders	1,221	1,241	20
Total income taxes	240	(145)	(386)
Net income	34	(502)	(537)

**Solvency Margin Ratio**

(Yen in millions)

	As of March 31, 2011	As of September 30, 2011
(A) Total amount of solvency margin	133,423	143,000
Total capital	43,760	43,257
Reserve for price fluctuation	1,858	1,994
Contingency reserve	10,538	10,989
General bad debts reserve	19	13
Net unrealized gains/losses on securities×90%	12,918	19,329
Net unrealized gains/losses on land×85%	-	-
Excess of continued Zillmerized reserve	63,178	66,245
Brought in capital	-	-
Subordinated debt, etc.	-	-
Deductions	-	-
Others	1,148	1,170
(B) Total amount of risks $\sqrt{(R_1 + R_8)^2 + (R_2 + R_3 + R_7)^2} + R_4$	12,545	13,138
Insurance risk (R <sub>1</sub> )	6,825	7,069
Third sector insurance risk (R <sub>8</sub> )	2,181	2,343
Assumed interest risk (R <sub>2</sub> )	507	517
Asset management risk (R <sub>3</sub> )	7,475	7,865
Business administration risk (R <sub>4</sub> )	509	533
Minimum guarantee risk (R <sub>7</sub> )	-	-
(C) Solvency margin ratio [(A)/{(B)×1/2}]×100	2,127.0%	2,176.8%

(Reference)

**Solvency Margin Ratio calculated under the revised standard scheduled to be applied from March 31, 2012**

(Yen in millions)

	As of March 31, 2011	As of September 30, 2011
(A) Total amount of solvency margin	125,594	132,210
Total capital	43,760	43,257
Reserve for price fluctuation	1,858	1,994
Contingency reserve	10,538	10,989
General bad debts reserve	19	13
Net unrealized gains/losses on securities×90%	12,918	19,329
Net unrealized gains/losses on land×85%	-	-
Excess of continued Zillmerized reserve (a)	63,178	66,245
Subordinated debt, etc. (b)	-	-
Amount excluded from the margin out of (a) and (b)	(6,850)	(9,811)
Brought in capital	-	-
Deductions	-	-
Others	170	192
(B) Total amount of risks $\sqrt{(R_1 + R_8)^2 + (R_2 + R_3 + R_7)^2} + R_4$	19,673	20,689
Insurance risk (R <sub>1</sub> )	6,825	7,069
Third sector insurance risk (R <sub>8</sub> )	2,181	2,343
Assumed interest risk (R <sub>2</sub> )	1,930	1,953
Asset management risk (R <sub>3</sub> )	14,689	15,559
Business administration risk (R <sub>4</sub> )	768	807
Minimum guarantee risk (R <sub>7</sub> )	-	-
(C) Solvency margin ratio [(A)/{(B)×1/2}]×100	1,276.8%	1,278.0%

**Non-Consolidated Statements of Income**

(Yen in millions)

Items	Six months ended September 30, 2010	Six months ended September 30, 2011
	Amount	Amount
<b>Ordinary income:</b>	<b>58,799</b>	<b>64,333</b>
<b>Insurance premiums and other:</b>	<b>53,321</b>	<b>58,660</b>
Insurance premiums	52,751	58,567
<b>Investment income:</b>	<b>5,329</b>	<b>5,085</b>
Interest and dividends received	4,598	4,883
Gains on sale of securities	730	201
<b>Other ordinary income:</b>	<b>148</b>	<b>587</b>
Reversal of outstanding claims	-	472
<b>Ordinary expenses:</b>	<b>56,035</b>	<b>65,141</b>
<b>Insurance claims and other:</b>	<b>20,497</b>	<b>22,712</b>
Insurance claims	5,998	7,429
Annuity payments	449	639
Benefits	1,909	2,464
Surrender benefits	11,256	11,636
Other refunds	202	155
<b>Provision for underwriting reserves and other:</b>	<b>24,776</b>	<b>29,334</b>
Provision for outstanding claims	365	-
Provision for underwriting reserves	24,409	29,333
Provision of interest portion of reserves for dividends to policyholders	0	1
<b>Investment expenses:</b>	<b>332</b>	<b>228</b>
Interest paid	5	12
Losses on sale of securities	-	2
Losses on derivative transactions	1	-
<b>Operating expenses</b>	<b>9,764</b>	<b>12,148</b>
<b>Other ordinary expenses</b>	<b>665</b>	<b>717</b>
<b>Ordinary profit</b>	<b>2,764</b>	<b>(808)</b>
<b>Extraordinary income</b>	<b>-</b>	<b>-</b>
<b>Extraordinary losses</b>	<b>517</b>	<b>2,140</b>
<b>Provision for reserve for dividends to policyholders</b>	<b>1,001</b>	<b>841</b>
<b>Income (loss) before income taxes</b>	<b>1,245</b>	<b>(3,789)</b>
<b>Income taxes - current</b>	<b>737</b>	<b>10</b>
<b>Income taxes - deferred</b>	<b>(253)</b>	<b>(1,355)</b>
<b>Total income taxes</b>	<b>484</b>	<b>(1,345)</b>
<b>Net income (loss)</b>	<b>760</b>	<b>(2,444)</b>

**Results for the Six Months Ended September 30, 2011****Amount of Policies in Force and New Policies**

## (1) Amount of policies in force

(Yen in millions)

	As of March 31, 2011		As of September 30, 2011	
	Number of policies (in thousands)	Amount	Number of policies (in thousands)	Amount
Individual Insurance	556	5,998,376	596	6,305,550
Individual Annuities	83	296,420	93	340,594
Group Insurance	-	2,428,535	-	2,509,023
Group Annuities	-	459	-	489

- (Notes) 1. The amount in individual annuities is the sum of (a) the funds to be held at the time annuity payments are to commence for an annuity for which payment has not yet commenced, and (b) the amount of policy reserve for an annuity for which payments have commenced.  
2. The amount in group annuities indicates the policy reserve.

## (2) Amount of new policies

(Yen in millions)

	Six months ended September 30, 2010				Six months ended September 30, 2011			
	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	45	473,943	473,943	-	56	591,334	591,334	-
Individual Annuities	5	19,239	19,239	-	12	51,579	51,579	-
Group Insurance	-	5,532	5,532	-	-	8,097	8,097	-
Group Annuities	-	-	-	-	-	0	0	-

- (Notes) 1. The amount of individual annuities is the funds to be held at the time annuity payments are to commence.  
2. The amount of group annuities represents the first time premium.

**Annualized Premiums**

## (1) Amount of policies in force

(Yen in millions)

	As of March 31, 2011	As of September 30, 2011
Individual Insurance	60,140	62,029
Individual Annuities	16,539	18,441
Total	76,680	80,471
Medical coverage, living benefits, etc.	7,280	7,314

## (2) Amount of new policies

(Yen in millions)

	Six months ended September 30, 2010	Six months ended September 30, 2011
Individual Insurance	3,747	4,872
Individual Annuities	1,053	2,445
Total	4,801	7,318
Medical coverage, living benefits, etc.	238	255

(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 single-payment policy is the premium divided by the number of years of coverage.  
2. "Medical coverage, living benefits, etc." shows 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.).

Summary of Non-Consolidated Results of Operations

(Yen in millions)

	Six months ended September 30, 2010	Six months ended September 30, 2011	Change
Fundamental revenues:	58,068	64,131	6,062
Insurance premiums and other	53,321	58,660	5,338
Fundamental expense	55,733	64,934	9,200
Fundamental profit	2,335	(802)	(3,138)
Capital gains (losses)	752	341	(411)
Non-recurring gains (losses)	(323)	(346)	(22)
Ordinary profit (loss)	2,764	(808)	(3,572)
Extraordinary income	-	-	-
Extraordinary losses	517	2,140	1,623
Provision for reserve for dividends to policyholders	1,001	841	(160)
Total income taxes	484	(1,345)	(1,829)
Net income	760	(2,444)	(3,205)

**Solvency Margin Ratio**

(Yen in millions)

	As of March 31, 2011	As of September 30, 2011
(A) Total amount of solvency margin	77,149	81,668
Total capital	30,691	28,246
Reserve for price fluctuation	656	707
Contingency reserve	7,703	8,050
General bad debts reserve	0	0
Net unrealized gains/losses on securities×90%	3,207	7,074
Net unrealized gains/losses on land×85%	-	-
Excess of continued Zillmerized reserve	33,439	35,740
Brought in capital	-	-
Subordinated debt, etc.	-	-
Deductions	-	-
Others	1,452	1,847
(B) Total amount of risks $\sqrt{(R_1 + R_8)^2 + (R_2 + R_3 + R_7)^2} + R_4$	7,896	8,775
Insurance risk (R <sub>1</sub> )	4,893	5,098
Third sector insurance risk (R <sub>8</sub> )	1,173	1,688
Assumed interest risk (R <sub>2</sub> )	239	243
Asset management risk (R <sub>3</sub> )	4,469	4,742
Business administration risk (R <sub>4</sub> )	215	353
Minimum guarantee risk (R <sub>7</sub> )	-	-
(C) Solvency margin ratio [(A)/{(B)×1/2}]×100	1,954.1%	1,861.3%

(Reference)

**Solvency Margin Ratio calculated under the revised standard scheduled to be applied from March 31, 2012**

(Yen in millions)

	As of March 31, 2011	As of September 30, 2011
(A) Total amount of solvency margin	75,953	80,472
Total capital	30,691	28,246
Reserve for price fluctuation	656	707
Contingency reserve	7,703	8,050
General bad debts reserve	0	0
Net unrealized gains/losses on securities×90%	3,207	7,074
Net unrealized gains/losses on land×85%	-	-
Excess of continued Zillmerized reserve (a)	33,439	35,740
Subordinated debt, etc. (b)	-	-
Amount excluded from the margin out of (a) and (b)	-	-
Brought in capital	-	-
Deductions	-	-
Others	256	651
(B) Total amount of risks $\sqrt{(R_1 + R_8)^2 + (R_2 + R_3 + R_7)^2} + R_4$	10,367	11,263
Insurance risk (R <sub>1</sub> )	4,893	5,098
Third sector insurance risk (R <sub>8</sub> )	1,173	1,688
Assumed interest risk (R <sub>2</sub> )	910	918
Asset management risk (R <sub>3</sub> )	7,144	7,491
Business administration risk (R <sub>4</sub> )	282	455
Minimum guarantee risk (R <sub>7</sub> )	-	-
(C) Solvency margin ratio [(A)/{(B)×1/2}]×100	1,465.2%	1,428.9%

**Non-Consolidated Statements of Income**

(Yen in millions)

Items	Six months ended September 30, 2010	Six months ended September 30, 2011
	Amount	Amount
<b>Ordinary income:</b>	<b>290,457</b>	<b>342,563</b>
<b>Insurance premiums and other:</b>	<b>128,827</b>	<b>118,731</b>
Insurance premiums	125,205	114,569
<b>Investment income:</b>	<b>9</b>	<b>173</b>
Interest and dividends received	9	173
<b>Other ordinary income:</b>	<b>161,620</b>	<b>223,658</b>
Reversal of outstanding claims	353	-
Reversal of underwriting reserves	157,807	221,108
<b>Ordinary expenses:</b>	<b>275,655</b>	<b>335,216</b>
<b>Insurance claims and other:</b>	<b>106,264</b>	<b>107,168</b>
Insurance claims	19,783	21,046
Annuity payments	19,185	21,035
Benefits	15,016	20,076
Surrender benefits	39,512	32,909
Other refunds	1,163	457
<b>Provision for underwriting reserves and other:</b>	<b>-</b>	<b>640</b>
Provision for outstanding claims	-	640
<b>Investment expenses:</b>	<b>158,448</b>	<b>216,640</b>
Interest paid	22	0
Investment losses on money trusts	6,188	35,165
Losses on separate accounts	151,795	180,900
<b>Operating expenses</b>	<b>10,509</b>	<b>10,304</b>
<b>Other ordinary expenses</b>	<b>432</b>	<b>462</b>
<b>Ordinary profit</b>	<b>14,801</b>	<b>7,346</b>
<b>Extraordinary income</b>	<b>-</b>	<b>-</b>
<b>Extraordinary losses</b>	<b>323</b>	<b>314</b>
<b>Income before income taxes</b>	<b>14,478</b>	<b>7,032</b>
<b>Income taxes - current</b>	<b>3</b>	<b>2,229</b>
<b>Income taxes - deferred</b>	<b>5,332</b>	<b>339</b>
<b>Total income taxes</b>	<b>5,335</b>	<b>2,569</b>
<b>Net income</b>	<b>9,142</b>	<b>4,463</b>

**Results for the Six Months Ended September 30, 2011****Amount of Policies in Force and New Policies**

## (1) Amount of policies in force

(Yen in millions)

	As of March 31, 2011		As of September 30, 2011	
	Number of policies (in thousands)	Amount	Number of policies (in thousands)	Amount
Individual Insurance	9	113,737	9	111,711
Individual Annuities	416	2,969,304	428	2,733,025
Group Insurance	-	-	-	-
Group Annuities	-	-	-	-

(Note) The amount in individual annuities is the sum of (a) the funds to be held at the time annuity payments are to commence (in the case of an individual variable annuity, insurance premium reserve) for an annuity for which payment has not yet commenced and (b) the amount of policy reserve for an annuity for which payments have commenced.

## (2) Amount of new policies

(Yen in millions)

	Six months ended September 30, 2010				Six months ended September 30, 2011			
	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	0	2,358	2,358	-	0	1,024	1,024	-
Individual Annuities	22	127,141	127,141	-	21	116,793	116,793	-
Group Insurance	-	-	-	-	-	-	-	-
Group Annuities	-	-	-	-	-	-	-	-

(Note) The amount of individual annuities is the funds to be held at the time annuity payments are to commence (in the case of an individual variable annuity, insurance premium reserve at the time of enrollment).

**Annualized Premiums**

## (1) Amount of policies in force

(Yen in millions)

	As of March 31, 2011	As of September 30, 2011
Individual Insurance	9,557	9,390
Individual Annuities	426,018	413,301
Total	435,575	422,692
Medical coverage, living benefits, etc.	90	79

## (2) Amount of new policies

(Yen in millions)

	Six months ended September 30, 2010	Six months ended September 30, 2011
Individual Insurance	211	92
Individual Annuities	56,562	49,960
Total	56,774	50,052
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 single-payment policy is the premium divided by the number of years of coverage.
2. "Medical coverage, living benefits, etc." shows 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.).

Summary of Non-Consolidated Results of Operations

(Yen in millions)

	Six months ended September 30, 2010	Six months ended September 30, 2011	Change
Fundamental revenues:	303,637	357,597	53,960
Insurance premiums and other	128,827	118,731	(10,095)
Fundamental expense	288,469	343,672	55,203
Fundamental profit	15,168	13,924	(1,243)
Capital gains (losses)	825	(5,630)	(6,456)
Non-recurring gains (losses)	(1,192)	(947)	244
Ordinary profit	14,801	7,346	(7,455)
Extraordinary income	-	-	-
Extraordinary losses	323	314	(9)
Provision for reserve for dividends to policyholders	-	-	-
Total income taxes	5,335	2,569	(2,766)
Net income	9,142	4,463	(4,678)

**Solvency Margin Ratio**

(Yen in millions)

	As of March 31, 2011	As of September 30, 2011
(A) Total amount of solvency margin	182,069	176,354
Total capital	54,191	58,655
Reserve for price fluctuation	1,260	1,573
Contingency reserve	16,234	17,182
General bad debts reserve	-	-
Net unrealized gains/losses on securities×90% (100% in case of negative value)	138	374
Net unrealized gains/losses on land×85%	-	-
Excess of continued Zillmerized reserve	110,243	98,570
Brought in capital	-	-
Subordinated debt, etc.	-	-
Deductions	-	-
Others	-	-
(B) Total amount of risks $\sqrt{(R_1 + R_8)^2 + (R_2 + R_3 + R_7)^2} + R_4$	35,474	37,469
Insurance risk (R <sub>1</sub> )	28	43
Third sector insurance risk (R <sub>8</sub> )	18	17
Assumed interest risk (R <sub>2</sub> )	3,102	2,855
Asset management risk (R <sub>3</sub> )	11,160	12,944
Business administration risk (R <sub>4</sub> )	1,034	1,093
Minimum guarantee risk (R <sub>7</sub> )	20,176	20,575
(C) Solvency margin ratio [(A)/{(B)×1/2}]×100	1,026.4%	941.3%

(Reference)

**Solvency Margin Ratio calculated under the revised standard scheduled to be applied from March 31, 2012**

(Yen in millions)

	As of March 31, 2011	As of September 30, 2011
(A) Total amount of solvency margin	143,513	155,195
Total capital	54,191	58,655
Reserve for price fluctuation	1,260	1,573
Contingency reserve	16,234	17,182
General bad debts reserve	-	-
Net unrealized gains/losses on securities×90%	138	374
Net unrealized gains/losses on land×85%	-	-
Excess of continued Zillmerized reserve (a)	110,243	98,570
Subordinated debt, etc. (b)	-	-
Amount excluded from the margin out of (a) and (b)	(38,556)	(21,159)
Brought in capital	-	-
Deductions	-	-
Others	-	-
(B) Total amount of risks $\sqrt{(R_1 + R_8)^2 + (R_2 + R_3 + R_7)^2} + R_4$	42,720	44,735
Insurance risk (R <sub>1</sub> )	28	43
Third sector insurance risk (R <sub>8</sub> )	18	17
Assumed interest risk (R <sub>2</sub> )	8,854	8,435
Asset management risk (R <sub>3</sub> )	12,428	14,414
Business administration risk (R <sub>4</sub> )	1,245	1,304
Minimum guarantee risk (R <sub>7</sub> )	20,191	20,580
(C) Solvency margin ratio [(A)/{(B)×1/2}]×100	671.8%	693.8%