

# **Supplementary Information**

## **Fiscal Year ended March 31, 2011**

### **MS&AD Insurance Group Holdings, Inc.**

**\*Notification**

Figures for the year ended March 31, 2010 are the simple combination of Mitsui Sumitomo Insurance Group Holdings, Inc. (Consolidated), Aioi Insurance Co., Ltd. (Consolidated), and Nissay Dowa General Insurance Co., Ltd. (Non-Consolidated).

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 year ended March 31, 2011 of Aioi Nissay Dowa Insurance Co., Ltd. (Non-Consolidated) are the simple combination of the year results for Aioi Nissay Dowa Insurance Co., Ltd. (Non-Consolidated) and the first half results for Nissay Dowa General Insurance Co., Ltd. (Non-Consolidated). Figures for the year ended March 31, 2010 of Aioi Nissay Dowa Insurance Co., Ltd. (Non-Consolidated) are the simple combination of Aioi Insurance Co., Ltd. (Non-Consolidated) and Nissay Dowa General Insurance Co., Ltd. (Non-Consolidated).

# Explanation for Business Results for the Year Ended March 31, 2011

## 1. Summary of Consolidated Business Results

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

(Yen in 100 millions)

	(reference) Year ended March 31, 2010	Year ended March 31, 2011	Change	Change ratio (%)	
<b>Ordinary income and expenses:</b>					
<b>Underwriting income:</b>	①	<b>31,337</b>	<b>31,658</b>	<b>321</b>	<b>1.0</b>
Net premiums written	②	25,190	25,414	223	0.9
Deposit premiums from policyholders	③	2,071	1,960	(110)	(5.3)
Life insurance premiums	④	2,129	2,445	316	14.9
Reversal of outstanding claims	⑤	498	-	(498)	(100.0)
Reversal of underwriting reserves	⑥	594	1,087	492	82.9
<b>Underwriting expenses:</b>	⑦	<b>26,991</b>	<b>28,068</b>	<b>1,077</b>	<b>4.0</b>
Net claims paid	⑧	16,134	15,861	(273)	(1.7)
Loss adjustment expenses	⑨	1,432	1,379	(52)	(3.7)
Commission and collection expenses	⑩	4,517	4,650	133	3.0
Maturity refunds to policyholders	⑪	4,133	4,472	339	8.2
Life insurance claims	⑫	590	607	17	2.9
Provision for outstanding claims	⑬	125	985	859	685.0
<b>Investment income:</b>	⑭	<b>2,507</b>	<b>2,191</b>	<b>(316)</b>	<b>(12.6)</b>
Interest and dividends received	⑮	2,224	2,055	(169)	(7.6)
Gains on sale of securities	⑯	675	662	(12)	(1.9)
Gains on derivative transactions	⑰	328	84	(244)	(74.4)
<b>Investment expenses:</b>	⑱	<b>797</b>	<b>609</b>	<b>(187)</b>	<b>(23.5)</b>
Losses on sale of securities	⑲	344	239	(104)	(30.4)
Losses on devaluation of securities	⑳	141	203	61	43.2
Losses on derivative transactions	㉑	3	-	(3)	(100.0)
<b>Operating expenses and general and administrative expenses</b>	㉒	<b>5,131</b>	<b>5,086</b>	<b>(44)</b>	<b>(0.9)</b>
<b>Other ordinary income and expenses</b>	㉓	<b>65</b>	<b>125</b>	<b>59</b>	<b>90.6</b>
Net income and losses from equity method investments	㉔	48	96	47	97.4
<b>Ordinary profit</b>	㉕	<b>991</b>	<b>210</b>	<b>(781)</b>	<b>(78.8)</b>
<b>Extraordinary income and losses:</b>					
<b>Extraordinary income:</b>	㉖	<b>53</b>	<b>255</b>	<b>202</b>	<b>377.5</b>
Gains on sale of fixed assets	㉗	51	103	52	101.9
Gain on negative goodwill	㉘	-	135	135	-
<b>Extraordinary losses:</b>	㉙	<b>240</b>	<b>572</b>	<b>331</b>	<b>137.5</b>
Other extraordinary losses	㉚	140	441	(301)	214.9
<b>Extraordinary income and losses</b>	㉛	<b>(187)</b>	<b>(316)</b>	<b>(129)</b>	<b>-</b>
<b>Income before income taxes</b>	㉜	<b>803</b>	<b>(106)</b>	<b>(910)</b>	<b>(113.3)</b>
<b>Income taxes - current</b>	㉝	<b>224</b>	<b>96</b>	<b>(127)</b>	<b>(57.0)</b>
<b>Refund of income taxes for prior periods</b>	㉞	<b>(139)</b>	<b>-</b>	<b>139</b>	<b>-</b>
<b>Income taxes - deferred</b>	㉟	<b>141</b>	<b>(265)</b>	<b>(406)</b>	<b>(287.8)</b>
<b>Total income taxes</b>	㊱	<b>226</b>	<b>(168)</b>	<b>(394)</b>	<b>(174.6)</b>
<b>Income before minority interests</b>	㊲	<b>577</b>	<b>62</b>	<b>(515)</b>	<b>(89.2)</b>
<b>Minority interests</b>	㊳	<b>4</b>	<b>7</b>	<b>3</b>	<b>77.3</b>
<b>Net income</b>	㊴	<b>573</b>	<b>54</b>	<b>(519)</b>	<b>(90.5)</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 year ended March 31, 2011, net claims incurred( + + ) include incurred losses due to the Great East Japan Earthquake in the amount of 82.9 billion yen: 18.2 billion yen for Earthquake Insurance on Dwelling Risks<sup>(\*)</sup>, 64.7 billion yen for the others.  
(\*):Earthquake insurance under "the Law concerning Earthquake Insurance"
- Other extraordinary losses include below:  
Year ended March 31, 2010: Business-integration-related expenses 14.0 billion yen  
Year ended March 31, 2011: Business-integration-related expenses 39.7 billion yen

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

(Yen in 100 millions)

		(reference) Year ended March 31, 2010	Year ended March 31, 2011	Change	Change ratio (%)
Net premiums written <small>Note 1</small>	①	25,190	25,414	223	0.9
Mitsui Sumitomo Insurance	②	12,037	12,305	268	2.2
Aioi Nissay Dowa Insurance	③	11,067	10,973	(93)	(0.8)
Mitsui Direct General Insurance	④	324	331	6	2.1
Overseas non-life insurance subsidiaries	⑤	1,761	1,806	45	2.6
Ordinary profit	⑥	991	210	(781)	(78.8)
Mitsui Sumitomo Insurance	⑦	357	317	(40)	(11.2)
Aioi Nissay Dowa Insurance	⑧	474	160	(313)	(66.1)
Net income (loss)	⑨	573	54	(519)	(90.5)
Mitsui Sumitomo Insurance	⑩	254	228	(25)	(10.1)
Aioi Nissay Dowa Insurance	⑪	212	(114)	(326)	(153.8)
Mitsui Direct General Insurance	⑫	(6)	2	9	-
Mitsui Sumitomo Kirameki Life Insurance	⑬	0	(53)	(53)	(14,142.6)
Aioi Life Insurance	⑭	13	(18)	(31)	(240.8)
Mitsui Sumitomo MetLife Insurance	⑮	44	93	49	110.5
Overseas non-life insurance subsidiaries	⑯	172	45	(127)	(73.8)
Other	⑰	6	(0)	(6)	(111.4)
Consolidation adjustment / Holding Company	⑱	(123)	(129)	(5)	-

(Notes)

1. 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.
2. Figures in 10 through 17 are prior to consolidation adjustments (the Company's equity).

**(3) Breakdown of Overseas Non-Life Insurance Subsidiaries**

(Yen in 100 millions)

		(reference) Year ended March 31, 2010	Year ended March 31, 2011	Change	Change ratio (%)
Net premiums written	①	1,761	1,806	45	2.6
Asia	②	655	775	120	18.3
Europe	③	647	546	(100)	(15.6)
Americas	④	249	295	45	18.4
Reinsurance	⑤	208	188	(19)	(9.5)
Net income (loss)	⑥	172	45	(127)	(73.8)
Asia	⑦	90	84	(6)	(6.9)
Europe	⑧	(18)	(125)	(107)	-
Americas	⑨	19	21	1	9.3
Reinsurance	⑩	80	65	(15)	(18.9)

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

(Yen in 100 millions)

		(reference) Year ended March 31, 2010	Year ended March 31, 2011	Change	Change ratio (%)
Amount of new policies					
Mitsui Sumitomo Kirameki Life Insurance	①	15,872	<b>17,986</b>	<b>2,113</b>	<b>13.3</b>
Aioi Life Insurance	②	10,594	<b>10,445</b>	<b>(148)</b>	<b>(1.4)</b>
Subtotal amount	③	26,466	<b>28,431</b>	<b>1,964</b>	<b>7.4</b>
Mitsui Sumitomo MetLife Insurance	④	4,081	<b>2,537</b>	<b>(1,543)</b>	<b>(37.8)</b>
Amount of policies in force					
Mitsui Sumitomo Kirameki Life Insurance	⑤	94,447	<b>101,381</b>	<b>6,934</b>	<b>7.3</b>
Aioi Life Insurance	⑥	58,433	<b>62,947</b>	<b>4,514</b>	<b>7.7</b>
Subtotal amount	⑦	152,880	<b>164,329</b>	<b>11,449</b>	<b>7.5</b>
Mitsui Sumitomo MetLife Insurance	⑧	31,375	<b>30,830</b>	<b>(545)</b>	<b>(1.7)</b>
Annualized premiums for policies in force					
Mitsui Sumitomo Kirameki Life Insurance	⑨	1,945	<b>2,024</b>	<b>78</b>	<b>4.0</b>
Aioi Life Insurance	⑩	735	<b>766</b>	<b>31</b>	<b>4.3</b>
Subtotal amount	⑪	2,681	<b>2,790</b>	<b>109</b>	<b>4.1</b>
Mitsui Sumitomo MetLife Insurance	⑫	5,317	<b>4,355</b>	<b>(961)</b>	<b>(18.1)</b>

(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 )

		Year ended March 31, 2010	Year ended March 31, 2011	Change	Change ratio
( + ) Net premiums written	①	12,037	12,305	268	2.2
( - ) Net claims paid	②	7,719	7,659	(60)	(0.8)
( - ) Loss adjustment expense	③	744	755	10	1.5
( - ) Commissions and collection expenses	④	2,071	2,148	76	3.7
( - ) Operating expenses and general administrative expenses for underwriting	⑤	2,078	2,025	(52)	(2.5)
Underwriting balance	⑥	(576)	(283)	293	-
( - ) Outstanding claims provision	⑦	(193)	407	600	-
( - ) Ordinary underwriting reserve	⑧	(307)	(324)	(17)	-
( - ) Catastrophe reserve provision	⑨	167	197	29	17.7
( + ) Other	⑩	84	59	(25)	(29.7)
Underwriting losses	⑪	(159)	(503)	(344)	-
( + ) Interest and dividends received	⑫	1,174	1,118	(56)	(4.8)
( - ) Transfer of investment income on deposit premium	⑬	540	511	(28)	(5.3)
Net interest and dividend income -	⑭	634	606	(27)	(4.4)
( + ) Net gains/losses on sale of securities	⑮	2	383	381	16,845.4
( - ) Losses on devaluation of securities	⑯	48	75	27	55.7
( + ) Gains/losses on derivative transactions	⑰	252	87	(164)	(65.2)
( + ) Other	⑱	(262)	(162)	99	-
Total investment income	⑲	577	839	261	45.3
( + ) Other ordinary expenses	⑳	(60)	(17)	42	-
Ordinary profit	㉑	357	317	(40)	(11.2)
( + ) Extraordinary losses	㉒	(26)	(55)	(28)	-
Reserve for price fluctuation	㉓	1	(27)	(28)	(1,585.7)
Integration-related expenses	㉔	-	(40)	(40)	-
Income before income taxes	㉕	331	262	(68)	(20.8)
( - ) Total income taxes	㉖	76	33	(43)	(56.0)
Net income	㉗	254	228	(25)	(10.1)

Ratios	Net loss ratio	⑳	70.3 %	68.4 %	(1.9) %	
	Net expense ratio	㉑	34.5 %	33.9 %	(0.6) %	
	Combined ratio	㉒	104.8 %	102.3 %	(2.5) %	
	Return on investments (income basis)	㉓	2.38 %	2.37 %	(0.01) %	
	Return on investments (realized basis)	㉔	2.43 %	3.05 %	0.62 %	
Incurred Loss	+	㉕	7,526	8,066	539	7.2

(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

4.Total return on investments (fair value basis) : 10.30% on the year ended March 31, 2010  
(1.06)% on the year ended March 31, 2011

### (Reference) Excluding Compulsory Automobile Liability Insurance

	Net premiums written	⑳	10,690	10,952	261	2.4
Ratios	Net loss ratio	㉑	65.7 %	63.5 %	(2.2) %	
	Net expense ratio	㉒	35.8 %	35.2 %	(0.6) %	
	Combined ratio	㉓	101.5 %	98.7 %	(2.8) %	

## (2) Net premiums written

(Yen in 100 millions)

	Net premiums written				Net premiums written (excluding deposit premiums)			
	Year ended March 31, 2010		Year ended March 31, 2011		Year ended March 31, 2010		Year ended March 31, 2011	
	Amount	Change ratio	Amount	Change ratio	Amount	Change ratio	Amount	Change ratio
		%		%		%		%
Fire and allied	1,794	1.8	1,803	0.5	2,198	1.6	2,178	(0.9)
Marine	519	(19.1)	543	4.7	655	(15.8)	684	4.4
Personal accident	1,294	0.4	1,331	2.8	1,346	0.3	1,398	3.8
Voluntary automobile	5,367	(0.8)	5,554	3.5	5,376	(0.7)	5,553	3.3
Compulsory automobile liability	1,346	(9.2)	1,353	0.5	1,292	(6.0)	1,305	1.0
Other	1,715	(5.0)	1,719	0.2	1,835	(2.0)	1,840	0.3
Total	12,037	(2.9)	12,305	2.2	12,705	(1.9)	12,961	2.0

## (3) Net claims paid

(Yen in 100 millions)

	Year ended March 31, 2010			Year ended March 31, 2011			
	Amount	Change ratio	Net loss ratio	Amount	Change ratio	Net loss ratio	Change ratio
		%	%		%	%	%
Fire and allied	737	4.0	43.3	687	(6.8)	40.2	(3.1)
Marine	302	(2.5)	61.7	258	(14.7)	50.7	(11.0)
Personal accident	726	5.5	62.9	738	1.6	61.9	(1.0)
Voluntary automobile	3,509	(0.5)	73.4	3,710	5.7	74.8	1.4
Compulsory automobile liability	1,334	(2.7)	107.3	1,347	0.9	107.7	0.4
Other	1,108	(10.7)	68.2	917	(17.2)	56.9	(11.3)
Total	7,719	(1.6)	70.3	7,659	(0.8)	68.4	(1.9)

(Note) Net loss ratio = Net claims paid + Loss adjustment expenses

## (Reference) Natural disasters during the year

(Yen in 100 millions)

	Year ended March 31, 2010			Year ended March 31, 2011		
	Incurring loss	Net claims paid	Outstanding claims	Incurring loss	Net claims paid	Outstanding claims
Fire and allied	117	99	17	15	12	2
Voluntary automobile	21	20	0	4	4	(0)
Other	17	11	6	2	1	0
Total	156	131	24	22	18	3

(Note) 1. The above figures are related to the natural disaster occurred during the fiscal year.

Net claims paid including claims related natural disasters occurred in previous year are the below:(unit:100 million yen)

137 (Fire:104, Voluntary Auto:20, Other:12) on the year ended March 31, 2010

53 (Fire:37, Voluntary Auto:5, Other:9) on the year ended March 31, 2011

2. The above figures do not include the incurred loss arising out of The Great East Japan Earthquake.

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

(Yen in 100 millions)

	Amount	Excluding earthquake insurance
Incurring Loss (Net claims paid + Provision for outstanding claims)	533	432

## (4) Company expenses

&lt; Corporate expenses &gt;

(Yen in 100 millions)

		Year ended March 31, 2010	Year ended March 31, 2011		
		Amount	Amount	Change	Change ratio
					%
Personnel expenses	①	1,565	1,593	27	1.8
Non personnel	②	1,230	1,156	(74)	(6.0)
Taxes and contributions	③	137	135	(2)	(1.9)
Total	④	2,934	2,884	(49)	(1.7)

(Note) Net loss ratio = Net claims paid + Loss adjustment expenses

&lt; Expenses for underwriting &gt;

(Yen in 100 millions)

		Year ended March 31, 2010	Year ended March 31, 2011		
		Amount	Amount	Change	Change ratio
					%
Operating expenses and general administrative expenses	⑤	2,078	2,025	(52)	(2.5)
Commission and collection expenses	⑥	2,071	2,148	76	3.7
Total	⑦	4,149	4,173	24	0.6
Net company expense ratio	⑧	34.5 %	33.9 %	(0.6) %	

(Mitsui Sumitomo Insurance Co., Ltd.)

(5) Outstanding claims

(Yen in 100 millions)

	Year ended March 31, 2010		Year ended March 31, 2011	
	Amount		Amount	
		Change		Change
Fire and allied	495	28	950	480
Marine	260	(28)	267	16
Personal accident	544	27	573	22
Voluntary automobile	2,519	(69)	2,529	(35)
Compulsory automobile liability	482	(9)	503	18
Other	1,098	(141)	952	(94)
Total	5,401	(193)	5,776	407

(Note) Outstanding claims provision for the year ended March 31, 2011 does not accord with the change in the amount of outstanding claims because of contract transfer which UK branch made to a third party and contract transfer from the Sumi-Sei General Insurance Co., Ltd..

(6) Incurred loss and earned-incurred loss ratio

(Yen in 100 millions)

	Year ended March 31, 2010		Year ended March 31, 2011			
	Incurred loss	Earned-incurred loss ratio	Incurred Loss	Change	Earned-incurred loss ratio	Change
Fire and allied	804	48.3	1,103	298	65.2	16.9
Marine	291	56.2	291	(0)	53.8	(2.4)
Personal accident	841	67.0	847	5	65.0	(2.0)
Voluntary automobile	3,868	72.0	4,118	249	74.7	2.7
Other	1,029	57.5	884	(144)	51.0	(6.5)
Total	6,836	64.5	7,245	408	67.2	2.7

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

Figures are excluding earthquake insurance and CALI.

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

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

Earned-incurred loss ratio = Incurred loss / Earned premiums

(7) Underwriting reserve

(Yen in 100 millions)

		As of March 31, 2011				
		Total of underwriting reserve	Ordinary underwriting reserve	Reserve for refunds and dividends to policyholders	Catastrophe reserve	Contingency reserve
Fire and allied	Amount	10,838	5,835	2,674	2,328	-
	Change	(94)	17	(271)	159	-
Marine	Amount	860	216	-	644	-
	Change	31	10	-	21	-
Personal accident	Amount	16,755	1,031	15,028	695	-
	Change	(945)	26	(918)	(51)	(2)
Voluntary automobile	Amount	1,985	1,694	113	177	-
	Change	74	44	24	6	-
CALI	Amount	2,650	2,650	-	-	-
	Change	(383)	(383)	-	-	-
Other	Amount	4,234	2,174	721	1,337	-
	Change	(51)	(38)	(74)	61	-
Total	Amount	37,324	13,603	18,537	5,183	-
	Change	(1,369)	(324)	(1,239)	197	(2)

(Note) 1. Reserve for earthquake insurance and CALI are included in ordinary underwriting reserve.

2. Amount provision of "ordinary underwriting reserve", "reserve for refunds and dividends to policyholders" and "total of underwriting reserve" for the year ended March 31, 2011 do not accord with the change in the amount of outstanding because of contract transfer from the Sumi-Sei General Insurance Co., Ltd.

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(8) Catastrophe reserve

(Yen in 100 millions)

	Year ended March 31, 2010		Year ended March 31, 2011			
	Balance	Reserve ratio	Reversal	Provision	Balance	Reserve ratio
		%				%
Fire and allied	2,168	123.3	-	159	2,328	131.8
Marine	622	120.0	-	21	644	118.6
Personal accident	746	57.7	92	40	695	52.2
Voluntary automobile	171	3.2	171	177	177	3.2
Other	1,275	74.4	21	83	1,337	77.8
Total	4,985	46.8	285	483	5,183	47.5

(Note) Reserve ratio = balance of catastrophe reserve / (net premiums written (ex. Home earthquake Insurance, CALI and Good Result Return premiums of the auto insurance "ModoRich" ) ) × 100

(9) Balance of invested asset

(Yen in 100 millions)

	As of March 31, 2010	As of March 31, 2011	
			Change
Cash deposits and savings	3,453	3,528	75
Securities	43,273	41,003	(2,269)
Domestic bonds	16,568	16,975	407
Domestic equity	17,239	15,097	(2,142)
Foreign securities	9,004	8,528	(475)
Others	461	402	(58)
Loan investments	7,185	6,872	(313)
Lands and Buildings	2,177	2,093	(83)
Total	56,089	53,498	(2,591)

(Reference)

Long-term assets	19,540	18,402	(1,138)
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(Reference) Breakdown of domestic bonds by issuer type

(Yen in 100 millions)

	As of March 31, 2010	As of March 31, 2011	
			Change
Government bonds	4,695	6,711	2,016
Municipal bonds	1,144	1,123	(20)
Corporate bonds	10,728	9,140	(1,588)
Public sector	3,324	2,894	(429)
Financial institutions	5	-	(5)
Corporations	7,399	6,245	(1,153)
Total	16,568	16,975	407

(10) Breakdown of interest and dividends

(Yen in 100 millions)

	Year ended March 31, 2010	Year ended March 31, 2011	
			Change
Securities	903	873	(30)
Domestic bonds	294	291	(3)
Domestic equity	273	287	13
Foreign securities	291	258	(32)
Others	44	37	(7)
Loan investments	143	129	(14)
Lands and buildings	74	67	(7)
Other	53	48	(4)
Total	1,174	1,118	(56)

## (11) Securities

## Unrealized gains and losses on securities

(Yen in 100 millions)

As of March 31, 2011	Acquisition cost	Fair value	Difference	Change from
				previous year
Domestic bonds	16,562	16,959	396	37
Domestic equity	7,559	14,069	6,510	(1,957)
Foreign securities	4,932	4,862	(70)	(129)
Others	1,638	1,671	33	(25)
Total	30,693	37,563	6,869	(2,075)

(Yen in 100 millions)

As of March 31, 2010	Acquisition cost	Fair value	Difference
Domestic bonds	16,192	16,552	359
Domestic equity	7,744	16,212	8,467
Foreign securities	5,809	5,868	59
Others	989	1,048	59
Total	30,736	39,681	8,945

(Note) 1. The above tables are about marketable securities available for sale.

- Others as of March 31, 2011 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.
- Others as of March 31, 2010 include beneficiary claims on loan trusts represented as monetary claims bought in the consolidated balance sheets.

## Gains and losses on sale of securities

(Yen in 100 millions)

	Year ended March 31, 2010 Gains and losses	Year ended March 31, 2011		
		Gains and losses	Gains	Losses
Domestic bonds	0	44	51	6
Domestic equity	95	352	374	22
Foreign securities	(93)	(12)	75	88
Others	-	0	0	-
Total	2	383	501	117

## Losses on devaluation of securities

(Yen in 100 millions)

	Year ended March 31, 2010	Year ended March 31, 2011	
			Change
Domestic bonds	-	4	4
Domestic equity	29	69	40
Foreign securities	14	1	(12)
Others	5	0	(5)
Total	48	75	27

## (1) Profit and loss status

( Yen in 100 millions )

		Year ended March 31, 2010	Year ended March 31, 2011	Change	Change ratio
( + ) Net premiums written	①	11,067	10,973	(93)	(0.8)
( - ) Net claims paid	②	6,875	6,928	53	0.8
( - ) Loss adjustment expense	③	618	555	(62)	(10.1)
( - ) Commissions and collection expenses	④	1,942	1,955	12	0.7
( - ) Operating expenses and general administrative expenses for underwriting	⑤	1,932	1,955	22	1.2
Underwriting balance	⑥	(300)	(421)	(120)	-
( - ) Outstanding claims provision	⑦	111	425	314	281.8
( - ) Ordinary underwriting reserve	⑧	(12)	(283)	(270)	-
( - ) Catastrophe reserve provision	⑨	(208)	(196)	11	-
( + ) Other	⑩	48	33	(14)	(30.1)
Underwriting losses	⑪	(143)	(333)	(189)	-
( + ) Interest and dividends received	⑫	698	674	(24)	(3.5)
( - ) Transfer of investment income on deposit premium	⑬	261	245	(15)	(6.1)
Net interest and dividend income	⑭	437	428	(8)	(2.0)
( + ) Net gains/losses on sale of securities	⑮	310	336	25	8.4
( - ) Losses on devaluation of securities	⑯	81	133	51	63.9
( + ) Gains/losses on derivative transactions	⑰	77	(5)	(82)	(106.8)
( + ) Other	⑱	(129)	(112)	16	-
Total investment income	⑲	615	514	(100)	(16.4)
( + ) Other ordinary income/expenses	⑳	2	(19)	(22)	(787.8)
Ordinary profit	㉑	474	160	(313)	(66.1)
( + ) Extraordinary losses	㉒	(168)	(350)	(182)	-
Reserve for price fluctuation	㉓	(19)	(22)	(3)	-
Integration-related expenses	㉔	(140)	(304)	(164)	-
Income before income taxes	㉕	306	(189)	(495)	(162.0)
( - ) Total income taxes	㉖	93	(75)	(169)	(180.5)
Net income	㉗	212	(114)	(326)	(153.8)

Ratios	Net loss ratio	㉘	67.7 %	68.2 %	0.5 %	
	Net expense ratio	㉙	35.0 %	35.6 %	0.6 %	
	Combined ratio	㉚	102.7 %	103.8 %	1.1 %	
	Return on investments (income basis)	㉛	2.38 %	2.36 %	(0.02) %	
	Return on investments (realized basis)	㉜	3.30 %	2.97 %	(0.33) %	
Incurring Loss	+	㉝	6,986	7,354	367	5.3

(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

4.Total return on investments (fair value basis) : 8.23% on the year ended March 31, 2010  
(0.74)% on the year ended March 31, 2011

## Reference:Excluding Compulsory Automobile Liability Insurance

	Net premiums written	㉞	9,690	9,591	(98)	(1.0)
Ratios	Net loss ratio	㉟	63.3 %	63.8 %	0.5 %	
	Net expense ratio	㊱	35.8 %	36.5 %	0.7 %	
	Combined ratio	㊲	99.1 %	100.3 %	1.2 %	

## (2) Net premiums written

(Yen in 100 millions)

	Net premiums written				Net premiums written (excluding deposit premiums)			
	Year ended March 31, 2010		Year ended March 31, 2011		Year ended March 31, 2010		Year ended March 31, 2011	
	Amount	Change ratio	Amount	Change ratio	Amount	Change ratio	Amount	Change ratio
Fire and allied	1,532	2.3	1,379	(10.0)	1,918	2.9	1,732	(9.7)
Marine	82	(24.9)	86	4.6	93	(21.3)	98	5.3
Personal accident	733	(2.4)	730	(0.4)	776	(2.2)	766	(1.4)
Voluntary automobile	6,264	0.1	6,378	1.8	6,173	(0.1)	6,189	0.3
Compulsory automobile liability	1,377	(8.3)	1,381	0.3	1,512	(6.8)	1,481	(2.1)
Other	1,076	(7.0)	1,016	(5.6)	1,352	1.9	1,346	(0.4)
Total	11,067	(1.9)	10,973	(0.8)	11,826	(0.7)	11,614	(1.8)

## (3) Net claims paid

(Yen in 100 millions)

	Year ended March 31, 2010			Year ended March 31, 2011			
	Amount	Change ratio	Net loss ratio	Amount	Change ratio	Net loss ratio	Change ratio
Fire and allied	563	6.9	38.7	532	(5.5)	40.6	1.9
Marine	57	(10.1)	73.1	45	(21.8)	55.6	(17.5)
Personal accident	379	3.1	56.3	364	(4.0)	54.1	(2.2)
Voluntary automobile	3,936	2.5	69.1	4,044	2.7	69.0	(0.1)
Compulsory automobile liability	1,243	(2.9)	99.1	1,258	1.2	98.5	(0.6)
Other	693	(10.1)	68.2	683	(1.5)	70.7	2.5
Total	6,875	0.3	67.7	6,928	0.8	68.2	0.5

(Note) Net loss ratio = Net claims paid + Loss adjustment expenses

## (Reference) Natural disasters during the year

(Yen in 100 millions)

	Year ended March 31, 2010			Year ended March 31, 2011		
	Incurred loss	Net claims paid	Outstanding claims	Incurred loss	Net claims paid	Outstanding claims
Fire and allied	72	63	8	4	2	2
Voluntary automobile	12	12	0	2	2	0
Other	5	3	1	2	2	0
Total	89	79	10	9	7	2

(Note)1. The above figures are related to the natural disaster occurred during the fiscal year.

Net claims paid including claims related natural disasters occurred in previous year are the below:(unit:100 million yen)

80 (Fire:63, Voluntary Auto:12, Other:4) on the year ended March 31, 2010

19 (Fire:13, Voluntary Auto:2, Other:3) on the year ended March 31, 2011

2. The above figures do not include the incurred loss arising out of The Great East Japan Earthquake.

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

(Yen in 100 millions)

	Amount	Excluding earthquake insurance
Incurred loss (Net claims paid + Provision for outstanding claims)	275	194

## (4) Company expenses

(Yen in 100 millions)

&lt; Corporate expenses &gt;

		Year ended March 31, 2010	Year ended March 31, 2011		
		Amount	Amount	Change	Change ratio
Personnel expenses	①	1,315	1,344	29	2.2
Non personnel	②	1,223	1,140	(82)	(6.8)
Taxes and contributions	③	125	125	0	0.3
Total	④	2,664	2,611	(52)	(2.0)

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

&lt; Expenses for underwriting &gt;

(Yen in 100 millions)

		Year ended March 31, 2010	Year ended March 31, 2011		
		Amount	Amount	Change	Change ratio
Operating expenses and general administrative	⑤	1,932	1,955	22	1.2
Commission and collection expenses	⑥	1,942	1,955	12	0.7
Total	⑦	3,874	3,910	35	0.9
Net company expense ratio	⑧	35.0 %	35.6 %	0.6 %	

## (5) Outstanding claims

(Yen in 100 millions)

	Year ended March 31, 2010		Year ended March 31, 2011	
	Amount		Amount	
		Change		Change
Fire and allied	321	(6)	607	285
Marine	46	(19)	45	(0)
Personal accident	288	4	313	24
Voluntary automobile	2,471	30	2,692	220
Compulsory automobile liability	452	(8)	474	22
Other	823	112	697	(126)
Total	4,404	111	4,830	425

## (6) Incurred loss and earned-incurred loss ratio

(Yen in 100 millions)

	Year ended March 31, 2010		Year ended March 31, 2011			
	Incurred loss	Earned-incurred loss ratio	Incurred Loss	Change	Earned-incurred loss ratio	Change
		%			%	%
Fire and allied	586	48.8	763	177	59.8	11.0
Marine	40	47.8	47	7	55.1	7.3
Personal accident	416	58.3	420	3	59.7	1.4
Voluntary automobile	4,359	69.5	4,621	262	72.5	3.0
Other	846	77.2	592	(254)	59.0	(18.2)
Total	6,249	66.7	6,445	196	68.3	1.6

Note: Earned-incurred loss ratio is calculated using method below.

Figures are excluding earthquake insurance and CALI.

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

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

Earned-incurred loss ratio = Incurred loss / Earned premiums

## (7) Underwriting reserve

(Yen in 100 millions)

		As of March 31, 2011				
		Total of underwriting reserve	Ordinary underwriting reserve	Reserve for refunds and dividends to policyholders	Catastrophe reserve	Contingency reserve
Fire and allied	Amount	8,632	5,546	1,395	1,688	2
	Change	(51)	26	(155)	77	-
Marine	Amount	160	32	-	127	-
	Change	4	2	-	1	-
Personal accident	Amount	6,712	563	5,624	520	3
	Change	(401)	27	(445)	17	(0)
Voluntary automobile	Amount	2,131	1,864	3	263	0
	Change	(298)	7	0	(306)	-
CALI	Amount	2,799	2,799	-	-	-
	Change	(336)	(336)	-	-	-
Other	Amount	1,952	1,218	194	538	0
	Change	(5)	(10)	(8)	13	-
Total	Amount	22,388	12,025	7,217	3,138	6
	Change	(1,089)	(283)	(609)	(196)	(0)

Note: Reserve for earthquake insurance and CALI are included in ordinary underwriting reserve.

## (8) Catastrophe reserve

(Yen in 100 millions)

	Year ended March 31, 2010		Year ended March 31, 2011			
	Balance	Reserve ratio	Reversal	Provision	Balance	Reserve ratio
		%				%
Fire and allied	1,611	107.1	-	77	1,688	125.1
Marine	126	152.7	1	3	127	147.7
Personal accident	503	68.7	5	22	520	71.3
Voluntary automobile	569	9.1	569	263	263	4.1
Other	525	48.8	31	44	538	53.0
Total	3,335	34.5	608	411	3,138	32.8

Note: Reserve ratio = balance of catastrophe reserve / (net premiums written excluding Earthquake Insurance and CALI) × 100

## (9) Balance of invested asset

(Yen in 100 millions)

	As of March 31, 2010	As of March 31, 2011	Change
Cash deposits and savings	2,415	2,515	99
Securities	22,230	20,332	(1,897)
Domestic bonds	7,400	6,509	(891)
Domestic equity	7,176	6,626	(550)
Foreign securities	6,748	6,352	(396)
Others	904	845	(59)
Loan investments	3,607	3,251	(356)
Lands and buildings	1,875	1,894	19
Total	30,128	27,994	(2,134)

(Reference)

Long-term assets	7,819	7,211	(607)
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## (Reference) Breakdown of domestic bonds by issuer type

(Yen in 100 millions)

	As of March 31, 2010	As of March 31, 2011	Change
Government bonds	2,912	3,123	210
Municipal bonds	495	430	(64)
Corporate bonds	3,993	2,955	(1,037)
Public sector	1,299	1,074	(224)
Financial institutions	51	48	(3)
Corporations	2,642	1,832	(809)
Total	7,400	6,509	(891)

## (10) Breakdown of interest and dividends

(Yen in 100 millions)

	Year ended March 31, 2010	Year ended March 31, 2011	Change
Securities	553	542	(11)
Domestic bonds	124	101	(22)
Domestic equity	147	133	(13)
Foreign securities	222	266	44
Others	59	39	(19)
Loan investments	73	62	(10)
Lands and buildings	58	56	(1)
Other	13	12	(1)
Total	698	674	(24)

## (11) Securities

## Unrealized gains and losses on securities

(Yen in 100 millions)

As of March 31, 2011	Acquisition cost	Fair value	Difference	Change from previous year
Domestic bonds	6,383	6,509	125	(14)
Domestic equity	5,087	5,863	776	(656)
Foreign securities	6,491	5,913	(577)	(300)
Others	749	681	(68)	(88)
Total	18,712	18,968	255	(1,060)

(Yen in 100 millions)

As of March 31, 2010	Acquisition cost	Fair value	Difference
Domestic bonds	7,261	7,400	139
Domestic equity	5,007	6,440	1,432
Foreign securities	6,609	6,332	(276)
Others	989	1,009	20
Total	19,867	21,183	1,315

Notes: 1. The above tables are about marketable securities available for sale.

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

## Gains and losses on sale of securities

(Yen in 100 millions)

	Year ended March 31, 2010 Gains and losses	Year ended March 31, 2011 Gains and losses	Gains and losses	
			Gains	Losses
Domestic bonds	39	69	70	1
Domestic equity	311	231	232	0
Foreign securities	(28)	30	93	62
Others	(12)	4	4	-
Total	310	336	400	64

## Losses on devaluation of securities

(Yen in 100 millions)

	Year ended March 31, 2010	Year ended March 31, 2011	Change
Domestic bonds	-	0	0
Domestic equity	65	133	67
Foreign securities	5	-	(5)
Others	9	0	(9)
Total	81	133	51

## 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	25,900	1.9 %
(Overseas non-life insurance subsidiaries)	②	2,006	11.0 %
Ordinary profit	③	1,160	949
Net income	④	670	615
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	12,550	2.0 %
Ordinary profit	⑦	610	292
Net income	⑧	400	171

### ( 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	11,000	0.2 %
Ordinary profit	⑩	300	139
Net income	⑪	200	314

\*1 Figures are presented exclusive of the GRR premiums of the automobile insurance "ModoRich."

\*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 six months ended September 30, 2010 of Nissay Dowa Insurance Co.,Ltd.

( 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	13,310
Change ratio	2.0 %	2.7 %
Net premiums written	12,305	12,550
Change ratio	2.2 %	2.0 %
Net loss ratio	68.4 %	76.5 %
Net expense ratio	33.9 %	33.8 %
Combined ratio	102.3 %	110.3 %
Underwriting profit	(503)	50
Net interest and dividends	606	520
Ordinary profit	317	610
Net income	228	400

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 %	1.9 %
Net loss ratio	63.5 %	73.1 %
Net expense ratio	35.2 %	35.1 %
Combined ratio	98.7 %	108.2 %

Forecast by line of business

( Yen in 100 millions )

	Net premiums written		Loss ratio	
		Change ratio		Change
Fire and allied	1,849	2.5 %	96.8 %	56.6 %
Marine	533	(1.9) %	60.1 %	9.4 %
Personal accident	1,371	3.0 %	61.2 %	(0.7) %
Voluntary automobile	5,673	2.1 %	74.7 %	(0.1) %
Compulsory automobile liability	1,394	3.0 %	103.7 %	(4.0) %
Other	1,730	0.6 %	55.7 %	(1.2) %
Total	12,550	2.0 %	76.5 %	8.1 %

**Aioi Nissay Dowa 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)	11,614	11,898
Change ratio	(1.8) %	2.4 %
Net premiums written	10,973	11,000
Change ratio	(0.8) %	0.2 %
Net loss ratio	68.2 %	75.8 %
Net expense ratio	35.6 %	35.5 %
Combined ratio	103.8 %	111.3 %
Underwriting profit	(333)	(80)
Net interest and dividends	428	349
Ordinary profit	160	300
Net income	(114)	200

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)	(1.0) %	(0.5) %
Net loss ratio	63.8 %	72.8 %
Net expense ratio	36.5 %	37.1 %
Combined ratio	100.3 %	109.9 %

Forecast by line of business

( Yen in 100 millions )

	Net premiums written		Loss ratio	
		Change ratio		Change
Fire and allied	1,334	(3.3) %	98.4 %	57.8 %
Marine	96	11.1 %	72.0 %	16.4 %
Personal accident	725	(0.8) %	52.3 %	(1.8) %
Voluntary automobile	6,430	0.8 %	68.4 %	(0.6) %
Compulsory automobile Liability	1,455	5.3 %	95.9 %	(2.6) %
Other	960	(5.6) %	81.7 %	11.0 %
Total	11,000	0.2 %	75.8 %	7.6 %

## Supplementary Information about Business Results for the Year Ended March 31, 2011

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

Consolidated
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(Yen in millions)

Lines of Insurance	(Reference) Year ended March 31, 2010			Year ended March 31, 2011		
	Amount	Share %	Change %	Amount	Share %	Change %
Fire and Allied	523,871	18.0	0.2	487,365	16.9	(7.0)
Marine	101,801	3.5	(16.9)	102,993	3.6	1.2
Personal Accident	365,226	12.6	(6.2)	367,750	12.7	0.7
Voluntary Automobile	1,250,008	43.0	0.3	1,277,752	44.3	2.2
Compulsory Automobile Liability	280,512	9.7	(6.4)	278,695	9.7	(0.6)
Other	382,639	13.2	(3.2)	370,215	12.8	(3.2)
<b>Total</b>	<b>2,904,060</b>	<b>100.0</b>	<b>(2.4)</b>	<b>2,884,772</b>	<b>100.0</b>	<b>(0.7)</b>
Deposit premiums from policyholders	207,127	7.1	(11.4)	196,070	6.8	(5.3)

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

Voluntary Automobile	1,250,744		(0.1)	1,275,366		2.0
<b>Total</b>	<b>2,904,796</b>		<b>(2.6)</b>	<b>2,882,386</b>		<b>(0.8)</b>

### Net Premiums Written by Lines of Insurance

(Yen in millions)

Lines of Insurance	(Reference) Year ended March 31, 2010			Year ended March 31, 2011		
	Amount	Share %	Change %	Amount	Share %	Change %
Fire and Allied	371,720	14.8	0.5	354,560	13.9	(4.6)
Marine	84,215	3.3	(19.4)	89,455	3.5	6.2
Personal Accident	208,779	8.3	(1.1)	212,790	8.4	1.9
Voluntary Automobile	1,251,255	49.7	0.5	1,291,900	50.8	3.2
Compulsory Automobile Liability	272,645	10.8	(8.7)	273,871	10.8	0.4
Other	329,669	13.1	(7.6)	321,208	12.6	(2.6)
<b>Total</b>	<b>2,518,286</b>	<b>100.0</b>	<b>(2.6)</b>	<b>2,543,786</b>	<b>100.0</b>	<b>1.0</b>

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

Voluntary Automobile	1,251,991		0.1	1,289,513		3.0
<b>Total</b>	<b>2,519,022</b>		<b>(2.8)</b>	<b>2,541,400</b>		<b>0.9</b>

### Net Claims Paid by Lines of Insurance

(Yen in millions)

Lines of Insurance	(Reference) Year ended March 31, 2010			Year ended March 31, 2011		
	Amount	Share %	Change %	Amount	Share %	Change %
Fire and Allied	152,762	9.5	2.6	137,343	8.7	(10.1)
Marine	46,269	2.9	(5.2)	39,823	2.5	(13.9)
Personal Accident	115,172	7.1	5.9	112,581	7.1	(2.2)
Voluntary Automobile	799,860	49.6	1.9	837,013	52.8	4.6
Compulsory Automobile Liability	258,117	16.0	(2.8)	260,890	16.4	1.1
Other	241,261	14.9	5.4	198,475	12.5	(17.7)
<b>Total</b>	<b>1,613,443</b>	<b>100.0</b>	<b>1.7</b>	<b>1,586,128</b>	<b>100.0</b>	<b>(1.7)</b>

(Note) Any figures are amounts after the off-set of intersegment transactions.

(Reference) Investment Conditions of Securitized Instruments

Managerial basis

There are no US subprime loan instruments in the Investments/loans amount.

(Yen in 100 millions)

Category	As of March 31, 2010			As of March 31, 2011		
	Amount of investments and loans <sup>(Note 1)</sup>	Valuation Difference	Losses on Devaluation / Gains or losses on Sales, etc.	Amount of investments and loans <sup>(Note 1)</sup>	Valuation Difference	Losses on Devaluation / Gains or losses on Sales, etc.
	(Amount in Consolidated Balance Sheet)	(Unrealized losses/gains)		(Amount in Consolidated Balance Sheet)	(Unrealized losses/gains)	
(1)RMBS	1,311	18	-	<sup>(Note 2)</sup> 1,231	39	1
Japan	1,282	18	-	1,208	38	1
Overseas	28	0	-	22	0	0
(2)ABS-CDO	2	0	-	-	-	0
AAA	-	-	-	-	-	-
AA	-	-	-	-	-	-
A	-	-	-	-	-	-
BBB or below	2	0	-	-	-	0
(3)CDO	115	2	(2)	109	4	10
CLO	115	1	(2)	108	3	10
AAA	115	1	(2)	100	2	-
AA	-	-	-	-	-	-
A	-	-	-	-	-	-
BBB or below	-	-	-	7	1	10
CBO	0	(0)	-	-	-	(0)
AAA	-	-	-	-	-	-
AA	-	-	-	-	-	-
A	-	-	-	-	-	-
BBB or below	0	(0)	-	-	-	(0)
Synthetic CDO	0	0	(0)	0	0	-
AAA	-	-	-	-	-	-
AA	-	-	-	-	-	-
A	-	-	-	-	-	-
BBB or below	0	0	(0)	0	0	-
(4)CMBS	140	(7)	-	115	(7)	(4)
Japan	140	(7)	-	113	(7)	(4)
Overseas	-	-	-	2	0	0
(5)Other ABS	-	-	-	67	(2)	(0)
Japan	-	-	-	40	(0)	-
Overseas	-	-	-	27	(2)	(0)
(6)ABCP	16	-	-	-	-	-
Portion composed by MS&AD Insurance Group	16	-	-	-	-	-
(7)SIV instruments	-	-	-	1	0	-
Portion composed by MS&AD Insurance Group	-	-	-	-	-	-
(8)LBO Loan	121	<sup>(Note 3)</sup> -	(0)	95	<sup>(Note 3)</sup> -	1
Japan	121	-	(0)	95	-	1
Overseas	-	-	-	-	-	-
Total	1,709	13	(3)	1,619	34	9

(Note 1) The above investments appear in the consolidated balance sheet as monetary claims bought, investments in securities, and loans.

(Note 2) Breakdown of credit ratings: AAA (120.9 billion yen), AA (1.7 billion yen), BBB or below (0.3 billion yen)

(Note 3) Loans are recognized at the book values, so for the LBO loans the valuation differences are not shown.

(Note 4) The figures of Mitsui Sumitomo MetLife Insurance Co., Ltd., accounted for under the equity method, are not included in the above table.

[ Glossary ]

- ◆Synthetic CDO: Synthetic Collateralized Debt Obligations
- ◆ABCP: Asset-Backed Commercial Paper
- ◆ABS: Asset-Backed Securities
- ◆ABS-CDO: CDOs backed by asset-backed securities
- ◆CBO: Collateralized Bond Obligation
- ◆CDO: Collateralized Debt Obligation
- ◆CLO: Collateralized Loan Obligation
- ◆CMBS: Commercial Mortgage-Backed Securities
- ◆LBO Loan: Leveraged Buyout Loan
- ◆RMBS: Residential Mortgage-Backed Securities
- ◆SIV: Structured Investment Vehicle

**Non-Consolidated Statements of Income**

(Yen in millions)

Items	FY 2009	FY 2010
	Amount	Amount
<b>Ordinary income:</b>	<b>1,636,934</b>	<b>1,685,881</b>
<b>Underwriting income:</b>	<b>1,525,130</b>	<b>1,559,754</b>
Net premiums written	1,203,007	1,232,945
Deposit premiums from policyholders	145,026	138,584
Investment income on deposit premiums from policyholders	54,064	51,175
Reversal of outstanding claims	19,304	-
Reversal of underwriting reserves	103,605	136,946
Other underwriting income	122	101
<b>Investment income:</b>	<b>107,640</b>	<b>122,980</b>
Interest and dividends received	117,477	111,826
Investment gains on money trusts	675	53
Gains on sale of securities	15,354	50,147
Gains on redemption of securities	2,352	2,043
Gains on derivative transactions	25,238	8,785
Other investment income	605	1,298
Transfer of investment income on deposit premiums from policyholders	(54,064)	(51,175)
<b>Other ordinary income</b>	<b>4,163</b>	<b>3,147</b>
<b>Ordinary expenses:</b>	<b>1,601,148</b>	<b>1,654,111</b>
<b>Underwriting expenses:</b>	<b>1,333,731</b>	<b>1,407,609</b>
Net claims paid	771,996	765,938
Loss adjustment expenses	74,487	75,572
Commission and collection expenses	207,128	214,807
Maturity refunds to policyholders	278,423	307,797
Dividends to policyholders	1,062	1,305
Provision for outstanding claims	-	40,752
Foreign exchange losses	343	1,087
Other underwriting expenses	288	348
<b>Investment expenses:</b>	<b>42,373</b>	<b>31,267</b>
Investment losses on money trusts	21	135
Losses on sale of securities	15,128	11,783
Losses on devaluation of securities	4,877	7,596
Losses on redemption of securities	4,459	2,710
Foreign exchange losses	190	3,517
Other investment expenses	17,695	5,523
<b>Operating expenses and general and administrative expenses</b>	<b>218,916</b>	<b>212,925</b>
<b>Other ordinary expenses:</b>	<b>6,126</b>	<b>2,308</b>
Interest paid	2,133	1,722
Provision for bad debts reserve	2,566	-
Loss on bad debts	17	3
Other ordinary expenses	1,408	582
<b>Ordinary profit</b>	<b>35,786</b>	<b>31,770</b>
<b>Extraordinary income:</b>	<b>3,285</b>	<b>10,735</b>
Gains on sale of fixed assets	3,103	10,041
Reversal of reserve under the special law	182	-
Reversal of reserve for price fluctuation	182	-
Other extraordinary income	-	694
<b>Extraordinary losses:</b>	<b>5,933</b>	<b>16,245</b>
Losses on sale of fixed assets	2,502	1,781
Impairment loss on fixed assets	3,431	3,338
Provision for reserve under the special law	-	2,706
Provision for price fluctuation reserve	-	2,706
Other extraordinary losses	-	8,417
<b>Income before income taxes</b>	<b>33,138</b>	<b>26,261</b>
<b>Income taxes - current</b>	<b>14,961</b>	<b>2,186</b>
<b>Refund of income taxes for prior periods</b>	<b>(13,947)</b>	<b>-</b>
<b>Income taxes - deferred</b>	<b>6,666</b>	<b>1,193</b>
<b>Total income taxes</b>	<b>7,680</b>	<b>3,379</b>
<b>Net income</b>	<b>25,458</b>	<b>22,881</b>

**Solvency Margin Ratio**

(Yen in millions)

	As of March 31, 2010	As of March 31, 2011
(A) Total amount of solvency margin	2,241,511	1,999,806
Total net assets	621,596	593,235
Reserve for price fluctuation	2,689	5,396
Contingency reserve	233	-
Catastrophe reserve	583,635	598,062
General bad debts reserve	1,338	1,180
Net unrealized gains/losses on securities (Prior to tax effect deductions)	799,409	611,738
Net unrealized gains/losses on land	72,972	45,496
Excess of policyholders' contract deposits	-	-
Subordinated debts, etc.	-	-
Deductions	35,583	35,083
Others	195,220	179,780
(B) Total amount of risks	534,040	520,222
$\sqrt{(R_1 + R_2)^2 + (R_3 + R_4)^2} + R_5 + R_6$		
General insurance risk (R <sub>1</sub> )	73,498	72,699
Third sector insurance risk (R <sub>2</sub> )	23	-
Assumed interest risk (R <sub>3</sub> )	6,426	6,220
Asset management risk (R <sub>4</sub> )	289,698	276,000
Business administration risk (R <sub>5</sub> )	11,736	11,445
Catastrophe risk (R <sub>6</sub> )	217,188	217,343
(C) Solvency margin ratio [(A)/{(B)×1/2}]×100	839.4%	768.8%

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

**Non-Consolidated Statements of Income**

(Yen in millions)

Items	FY 2009	FY 2010
	Amount	Amount
<b>Ordinary income:</b>	<b>1,377,810</b>	<b>1,380,669</b>
<b>Underwriting income:</b>	<b>1,272,293</b>	<b>1,293,407</b>
Net premiums written	1,106,717	1,097,341
Deposit premiums from policyholders	62,101	57,485
Investment income on deposit premiums from policyholders	26,106	24,522
Reversal of underwriting reserves	75,910	108,956
Other underwriting income	1,457	5,100
<b>Investment income:</b>	<b>101,374</b>	<b>84,267</b>
Interest and dividends received	69,873	67,400
Investment gains on money trusts	659	1
Gains on sale of securities	47,174	40,068
Gains on redemption of securities	337	709
Gains on derivative transactions	8,102	316
Foreign exchange gains	1,138	-
Other investment income	195	293
Transfer of investment income on deposit premiums from policyholders	(26,106)	(24,522)
<b>Other ordinary income</b>	<b>4,142</b>	<b>2,994</b>
<b>Ordinary expenses:</b>	<b>1,330,371</b>	<b>1,364,589</b>
<b>Underwriting expenses:</b>	<b>1,092,455</b>	<b>1,132,534</b>
Net claims paid	687,540	692,854
Loss adjustment expenses	61,806	55,576
Commission and collection expenses	194,223	195,503
Maturity refunds to policyholders	134,946	139,491
Dividends to policyholders	512	200
Provision for outstanding claims	11,156	42,592
Foreign exchange losses	1,284	593
Other underwriting expenses	984	5,722
<b>Investment expenses:</b>	<b>31,799</b>	<b>25,190</b>
Investment losses on money trusts	-	0
Losses on trading securities	4	4
Losses on sale of securities	16,105	6,401
Losses on devaluation of securities	8,125	13,315
Losses on redemption of securities	2,861	1,933
Losses on derivative transactions	332	843
Foreign exchange losses	-	319
Other investment expenses	4,369	2,371
<b>Operating expenses and general and administrative expenses</b>	<b>204,621</b>	<b>205,570</b>
<b>Other ordinary expenses:</b>	<b>1,495</b>	<b>1,293</b>
Interest paid	1	1
Provision for bad debts reserve	308	-
Loss on bad debts	5	2
Other ordinary expenses	1,179	1,289
<b>Ordinary profit</b>	<b>47,439</b>	<b>16,079</b>
<b>Extraordinary income:</b>	<b>710</b>	<b>627</b>
Gains on sale of fixed assets	502	627
Other extraordinary income	208	-
<b>Extraordinary losses:</b>	<b>17,536</b>	<b>35,682</b>
Losses on sale of fixed assets	1,073	794
Impairment loss on fixed assets	282	1,699
Provision for reserve under the special law	1,917	2,235
Provision for price fluctuation reserve	1,917	2,235
Loss on reduction of real estate	238	44
Other extraordinary losses	14,024	30,908
<b>Income (loss) before income taxes</b>	<b>30,613</b>	<b>(18,974)</b>
<b>Income taxes - current</b>	<b>2,158</b>	<b>2,380</b>
<b>Income taxes - deferred</b>	<b>7,228</b>	<b>(9,937)</b>
<b>Total income taxes</b>	<b>9,387</b>	<b>(7,556)</b>
<b>Net income (loss)</b>	<b>21,226</b>	<b>(11,417)</b>

**Solvency Margin Ratio**

(Yen in millions)

	As of March 31, 2010		As of March 31, 2011
	Aioi Insurance Co., Ltd.	Nissay Dowa General Insurance Co., Ltd.	
(A) Total amount of solvency margin	723,308	413,014	953,479
Total net assets	330,119	153,456	454,696
Reserve for price fluctuation	2,541	1,246	6,023
Contingency reserve	517	185	693
Catastrophe reserve	265,157	135,158	376,115
General bad debts reserve	397	84	468
Net unrealized gains/losses on securities (Prior to tax effect deductions)	50,434	67,559	23,068
Net unrealized gains/losses on land	10,178	18,243	12,396
Excess of policyholders' contract deposits	-	-	-
Subordinated debts, etc.	-	-	-
Deductions	27,004	-	31,326
Others	90,966	37,080	111,342
(B) Total amount of risks	191,355	91,622	279,763
$\sqrt{(R_1 + R_2)^2 + (R_3 + R_4)^2} + R_5 + R_6$			
General insurance risk (R <sub>1</sub> )	46,635	19,973	67,336
Third sector insurance risk (R <sub>2</sub> )	-	0	-
Assumed interest risk (R <sub>3</sub> )	2,307	1,038	3,146
Asset management risk (R <sub>4</sub> )	86,127	36,722	108,785
Business administration risk (R <sub>5</sub> )	4,440	2,090	6,439
Catastrophe risk (R <sub>6</sub> )	86,937	46,813	142,698
(C) Solvency margin ratio [(A)/{(B)×1/2}]×100	755.9%	901.5%	681.6%

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

**Non-Consolidated Statements of Income**

(Yen in millions)

Items	FY 2009	FY 2010
	Amount	Amount
<b>Ordinary income:</b>	<b>32,630</b>	<b>33,356</b>
<b>Underwriting income:</b>	<b>32,417</b>	<b>33,114</b>
Net premiums written	32,406	33,100
Investment income on deposit premiums from policyholders	11	13
<b>Investment income:</b>	<b>204</b>	<b>238</b>
Interest and dividends received	209	218
Gains on sale of securities	6	33
Transfer of investment income on deposit premiums from policyholders	(11)	(13)
<b>Other ordinary income</b>	<b>7</b>	<b>3</b>
<b>Ordinary expenses:</b>	<b>33,622</b>	<b>32,998</b>
<b>Underwriting expenses:</b>	<b>25,816</b>	<b>25,991</b>
Net claims paid	20,582	23,116
Loss adjustment expenses	2,165	2,244
Commission and collection expenses	268	243
Provision for outstanding claims	1,953	383
Provision for underwriting reserves	846	2
Other underwriting expenses	0	0
<b>Investment expenses</b>	<b>-</b>	<b>-</b>
<b>Operating expenses and general and administrative expenses</b>	<b>7,785</b>	<b>7,006</b>
<b>Other ordinary expenses:</b>	<b>20</b>	<b>0</b>
Provision for bad debts reserve	0	-
Other ordinary expenses	19	0
<b>Ordinary profit (loss)</b>	<b>(992)</b>	<b>358</b>
<b>Extraordinary income:</b>	<b>0</b>	<b>1</b>
Gains on sale of fixed assets	0	-
Other extraordinary income	-	1
<b>Extraordinary losses:</b>	<b>10</b>	<b>8</b>
Losses on sale of fixed assets	5	1
Provision for reserve under the special law	4	4
Provision for price fluctuation reserve	4	4
Other extraordinary losses	-	2
<b>Income (loss) before income taxes</b>	<b>(1,002)</b>	<b>351</b>
<b>Income taxes - current</b>	<b>16</b>	<b>16</b>
<b>Total income taxes</b>	<b>16</b>	<b>16</b>
<b>Net income (loss)</b>	<b>(1,018)</b>	<b>334</b>

**Solvency Margin Ratio**

(Yen in millions)

	As of March 31, 2010	As of March 31, 2011
(A) Total amount of solvency margin	10,738	11,105
Total net assets	9,510	9,845
Reserve for price fluctuation	13	17
Contingency reserve	0	0
Catastrophe reserve	1,033	1,058
General bad debts reserve	0	0
Net unrealized gains/losses on securities (Prior to tax effect deductions)	180	184
Net unrealized gains/losses on land	-	-
Excess of policyholders' contract deposits	-	-
Subordinated debts, etc.	-	-
Deductions	-	-
Others	-	-
(B) Total amount of risks	3,206	3,470
$\sqrt{(R_1 + R_2)^2 + (R_3 + R_4)^2} + R_5 + R_6$		
General insurance risk (R <sub>1</sub> )	2,798	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> )	219	227
Business administration risk (R <sub>5</sub> )	99	107
Catastrophe risk (R <sub>6</sub> )	300	300
(C) Solvency margin ratio [(A)/{(B)×1/2}]×100	669.8%	640.0%

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

**Non-Consolidated Statements of Income**

(Yen in millions)

Items	FY 2009	FY 2010
	Amount	Amount
<b>Ordinary income:</b>	<b>244,512</b>	<b>265,331</b>
<b>Insurance premiums and other:</b>	<b>223,662</b>	<b>243,102</b>
Insurance premiums	223,365	242,816
Reinsurance income	297	286
<b>Investment income:</b>	<b>20,363</b>	<b>21,627</b>
Interest and dividends received	19,820	20,932
Interest and dividends on securities	18,924	19,991
Interest on loans	882	928
Other interest and dividends	13	12
Gains on sale of securities	542	695
<b>Other ordinary income:</b>	<b>486</b>	<b>601</b>
Receipts of annuities with special conditions	349	346
Receipts of deferred insurance claims	107	222
Other ordinary income	30	32
<b>Ordinary expenses:</b>	<b>241,802</b>	<b>268,561</b>
<b>Insurance claims and other:</b>	<b>130,214</b>	<b>126,608</b>
Insurance claims	32,633	33,266
Annuity payments	3,191	3,333
Benefits	6,188	6,708
Surrender benefits	86,677	81,856
Other refunds	957	904
Reinsurance premiums	565	537
<b>Provision for underwriting reserves and other:</b>	<b>70,867</b>	<b>95,511</b>
Provision for outstanding claims	666	1,729
Provision for underwriting reserves	70,201	93,782
Provision of interest portion of reserves for dividends to policyholders	0	0
<b>Investment expenses:</b>	<b>442</b>	<b>890</b>
Interest paid	14	20
Losses on sale of securities	426	704
Losses on devaluation of securities	-	125
Foreign exchange losses	1	1
Provision for bad debts reserve	-	38
<b>Operating expenses:</b>	<b>37,378</b>	<b>41,894</b>
<b>Other ordinary expenses:</b>	<b>2,899</b>	<b>3,657</b>
Payments of deferred insurance claims	19	89
Taxes	2,182	2,330
Depreciation	556	1,011
Provision for retirement benefits	133	147
Other ordinary expenses	7	77
<b>Ordinary profit (loss)</b>	<b>2,710</b>	<b>(3,230)</b>
<b>Extraordinary income:</b>	<b>9</b>	<b>5</b>
Gains on sale of fixed assets	0	5
Other extraordinary income	9	-
<b>Extraordinary losses:</b>	<b>250</b>	<b>2,771</b>
Losses on sale of fixed assets	11	18
Provision for reserve under the special law	239	258
Provision for price fluctuation reserve	239	258
Other extraordinary losses	-	2,494
<b>Provision for reserve for dividends to policyholders</b>	<b>2,148</b>	<b>1,956</b>
<b>Income (loss) before income taxes</b>	<b>321</b>	<b>(7,953)</b>
<b>Income taxes - current</b>	<b>125</b>	<b>1,700</b>
<b>Income taxes - deferred</b>	<b>158</b>	<b>(4,328)</b>
<b>Total income taxes</b>	<b>283</b>	<b>(2,628)</b>
<b>Net income (loss)</b>	<b>37</b>	<b>(5,325)</b>

**Results for the Year Ended March 31, 2011****Amount of Policies in Force and New Policies**

## (1) Amount of policies in force

(Yen in millions)

	As of March 31, 2010		As of March 31, 2011	
	Number of policies (in thousands)	Amount	Number of policies (in thousands)	Amount
Individual Insurance	1,131	9,129,287	1,280	9,810,772
Individual Annuities	67	315,415	71	327,368
Group Insurance	-	2,699,819	-	2,444,411
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)

	FY 2009				FY 2010			
	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	212	1,553,143	1,553,143	-	244	1,759,484	1,759,484	-
Individual Annuities	5	34,097	34,097	-	6	39,118	39,118	-
Group Insurance	-	26,198	26,198	-	-	28,725	28,725	-
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, 2010	As of March 31, 2011
Individual Insurance	175,780	182,700
Individual Annuities	18,800	19,718
Total	194,580	202,418
Medical coverage, living benefits, etc.	33,795	39,653

## (2) Amount of new policies

(Yen in millions)

	FY 2009	FY 2010
Individual Insurance	25,598	29,196
Individual Annuities	1,951	2,217
Total	27,549	31,414
Medical coverage, living benefits, etc.	7,613	8,774

(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.)

Selected Results of Operations

(Yen in millions)

	FY 2009	FY 2010	Change
Insurance premiums and other	223,662	243,102	19,440
Investment income	20,363	21,627	1,264
Insurance claims and other	130,214	126,608	(3,605)
Investment expenses	442	890	448
Ordinary profit (loss)	2,710	(3,230)	(5,940)
Provision for reserve for dividends to policyholders	2,148	1,956	(191)
Net income (loss)	37	(5,325)	(5,363)

Total Assets

(Yen in millions)

	As of March 31, 2010	As of March 31, 2011
Total assets	1,148,341	1,242,444

**Solvency Margin Ratio**

(Yen in millions)

	As of March 31, 2010	As of March 31, 2011
(A) Total amount of solvency margin	124,409	133,423
Total capital	49,086	43,760
Reserve for price fluctuation	1,600	1,858
Contingency reserve	9,870	10,538
General bad debts reserve	14	19
Net unrealized gains/losses on securities×90%	12,195	12,918
Net unrealized gains/losses on land×85%	-	-
Excess of continued Zillmerized reserve	50,246	63,178
Brought in capital	-	-
Subordinated debt, etc.	-	-
Deductions	-	-
Others	1,396	1,148
(B) Total amount of risks $\sqrt{(R_1 + R_8)^2 + (R_2 + R_3 + R_7)^2} + R_4$	11,682	12,545
Insurance risk (R <sub>1</sub> )	6,604	6,825
Third sector insurance risk (R <sub>8</sub> )	1,814	2,181
Assumed interest risk (R <sub>2</sub> )	666	507
Asset management risk (R <sub>3</sub> )	6,962	7,475
Business administration risk (R <sub>4</sub> )	320	509
Minimum guarantee risk (R <sub>7</sub> )	-	-
(C) Solvency margin ratio [(A)/{(B)×1/2}]×100	2,129.7%	2,127.0%

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

**Non-Consolidated Statements of Income**

(Yen in millions)

Items	FY 2009	FY 2010
	Amount	Amount
<b>Ordinary income:</b>	<b>112,564</b>	<b>121,041</b>
<b>Insurance premiums and other:</b>	<b>102,492</b>	<b>110,006</b>
Insurance premiums	100,516	109,105
Reinsurance income	1,976	900
<b>Investment income:</b>	<b>9,259</b>	<b>9,994</b>
Interest and dividends received	8,416	9,226
Interest on deposits	0	0
Interest and dividends on securities	8,042	8,786
Interest on loans	366	393
Other interest and dividends	7	46
Gains on sale of securities	721	767
Gains on redemption of securities	121	-
Gains on derivative transactions	1	-
<b>Other ordinary income:</b>	<b>812</b>	<b>1,040</b>
Receipts of annuities with special conditions	185	386
Receipts of deferred insurance claims	622	622
Other ordinary income	4	31
<b>Ordinary expenses:</b>	<b>107,078</b>	<b>118,839</b>
<b>Insurance claims and other:</b>	<b>41,356</b>	<b>43,696</b>
Insurance claims	11,532	11,876
Annuity payments	713	1,024
Benefits	4,587	5,523
Surrender benefits	22,687	23,293
Other refunds	567	639
Reinsurance premiums	1,268	1,337
<b>Provision for underwriting reserves and other:</b>	<b>44,700</b>	<b>52,735</b>
Provision for outstanding claims	428	1,792
Provision for underwriting reserves	44,270	50,941
Provision of interest portion of reserves for dividends to policyholders	2	1
<b>Investment expenses:</b>	<b>1,039</b>	<b>512</b>
Interest paid	2	23
Losses on sale of securities	914	129
Losses on devaluation of securities	-	10
Losses on derivative transactions	-	1
Foreign exchange losses	120	295
Provision for bad debts reserve	-	48
Other investment expenses	1	3
<b>Operating expenses:</b>	<b>18,418</b>	<b>20,237</b>
<b>Other ordinary expenses:</b>	<b>1,562</b>	<b>1,658</b>
Payments of deferred insurance claims	476	437
Taxes	382	429
Depreciation	651	749
Provision for retirement benefits	47	36
Other ordinary expenses	4	5
<b>Ordinary profit</b>	<b>5,486</b>	<b>2,202</b>
<b>Extraordinary income:</b>	<b>0</b>	<b>-</b>
Reversal of bad debts reserve	0	-
<b>Extraordinary losses:</b>	<b>96</b>	<b>2,489</b>
Losses on sale of fixed assets	4	11
Provision for reserve under the special law	91	97
Provision for price fluctuation reserve	91	97
Other extraordinary losses	-	2,380
<b>Provision for reserve for dividends to policyholders</b>	<b>3,045</b>	<b>2,541</b>
<b>Income (loss) before income taxes</b>	<b>2,344</b>	<b>(2,828)</b>
<b>Income taxes - current</b>	<b>1,463</b>	<b>147</b>
<b>Income taxes - deferred</b>	<b>(442)</b>	<b>(1,113)</b>
<b>Total income taxes</b>	<b>1,021</b>	<b>(965)</b>
<b>Net income (loss)</b>	<b>1,323</b>	<b>(1,863)</b>

**Results for the Year Ended March 31, 2011****Amount of Policies in Force and New Policies**

## (1) Amount of policies in force

(Yen in millions)

	As of March 31, 2010		As of March 31, 2011	
	Number of policies (in thousands)	Amount	Number of policies (in thousands)	Amount
Individual Insurance	498	5,577,308	556	5,998,376
Individual Annuities	75	265,997	83	296,420
Group Insurance	-	2,322,437	-	2,428,535
Group Annuities	-	477	-	459

(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)

	FY 2009				FY 2010			
	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	84	1,024,620	1,024,620	-	91	998,079	998,079	-
Individual Annuities	10	34,827	34,827	-	12	46,469	46,469	-
Group Insurance	-	38,080	38,080	-	-	13,712	13,712	-
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, 2010	As of March 31, 2011
Individual Insurance	58,519	60,140
Individual Annuities	15,029	16,539
Total	73,548	76,680
Medical coverage, living benefits, etc.	7,336	7,280

## (2) Amount of new policies

(Yen in millions)

	FY 2009	FY 2010
Individual Insurance	7,700	7,551
Individual Annuities	2,019	2,461
Total	9,720	10,012
Medical coverage, living benefits, etc.	690	494

(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.)

Aioi Life Insurance Co., Ltd. (Non-Consolidated)

Selected Results of Operations

(Yen in millions)

	FY 2009	FY 2010	Change
Insurance premiums and other	102,492	110,006	7,514
Investment income	9,259	9,994	734
Insurance claims and other	41,356	43,696	2,339
Investment expenses	1,039	512	(527)
Ordinary profit	5,486	2,202	(3,283)
Provision for reserve for dividends to policyholders	3,045	2,541	(504)
Net income (loss)	1,323	(1,863)	(3,187)

Total Assets

(Yen in millions)

	As of March 31, 2010	As of March 31, 2011
Total assets	467,966	547,354

**Solvency Margin Ratio**

(Yen in millions)

	As of March 31, 2010	As of March 31, 2011
(A) Total amount of solvency margin	74,227	77,149
Total capital	32,617	30,691
Reserve for price fluctuation	558	656
Contingency reserve	7,142	7,703
General bad debts reserve	-	0
Net unrealized gains/losses on securities×90%	1,759	3,207
Net unrealized gains/losses on land×85%	-	-
Excess of continued Zillmerized reserve	29,722	33,439
Brought in capital	-	-
Subordinated debt, etc.	-	-
Deductions	-	-
Others	2,427	1,452
(B) Total amount of risks $\sqrt{(R_1 + R_8)^2 + (R_2 + R_3 + R_7)^2} + R_4$	7,443	7,896
Insurance risk (R <sub>1</sub> )	4,594	4,893
Third sector insurance risk (R <sub>8</sub> )	1,092	1,173
Assumed interest risk (R <sub>2</sub> )	230	239
Asset management risk (R <sub>3</sub> )	4,250	4,469
Business administration risk (R <sub>4</sub> )	203	215
Minimum guarantee risk (R <sub>7</sub> )	-	-
(C) Solvency margin ratio [(A)/{(B)×1/2}]×100	1,994.3%	1,954.1%

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

**Non-Consolidated Statements of Income**

(Yen in millions)

Items	FY 2009	FY 2010
	Amount	Amount
<b>Ordinary income:</b>	<b>885,402</b>	<b>346,843</b>
<b>Insurance premiums and other:</b>	<b>451,168</b>	<b>251,510</b>
Insurance premiums	443,615	243,730
Reinsurance income	7,553	7,779
<b>Investment income:</b>	<b>426,465</b>	<b>23,306</b>
Interest and dividends received	22	19
Interest on deposits	1	4
Interest and dividends on securities	4	-
Interest on loans	16	14
Investment gains on money trusts	71,131	23,287
Gains on sale of securities	14	-
Foreign exchange gains	990	-
Gains on separate accounts	354,306	-
<b>Other ordinary income:</b>	<b>7,768</b>	<b>72,026</b>
Receipts of annuities with special conditions	7,729	6,016
Reversal of outstanding claims	-	153
Reversal of policy reserve	-	65,035
Other ordinary income	38	819
<b>Ordinary expenses:</b>	<b>870,857</b>	<b>316,681</b>
<b>Insurance claims and other:</b>	<b>164,406</b>	<b>212,653</b>
Insurance claims	37,269	42,171
Annuity payments	29,771	37,661
Benefits	14,430	29,857
Surrender benefits	59,736	77,877
Other refunds	1,542	1,852
Reinsurance premiums	21,655	23,232
<b>Provision for underwriting reserves and other:</b>	<b>644,288</b>	-
Provision for outstanding claims	307	-
Provision for underwriting reserves	643,980	-
<b>Investment expenses:</b>	<b>501</b>	<b>81,612</b>
Interest paid	58	44
Losses on redemption of securities	0	-
Foreign exchange losses	-	210
Other investment expenses	442	480
Losses on separate accounts	-	80,876
<b>Operating expenses:</b>	<b>34,469</b>	<b>21,527</b>
<b>Other ordinary expenses:</b>	<b>27,192</b>	<b>887</b>
Taxes	1,455	507
Depreciation	254	358
Other ordinary expenses	0	21
<b>Ordinary profit</b>	<b>14,544</b>	<b>30,162</b>
<b>Extraordinary losses:</b>	<b>507</b>	<b>687</b>
Losses on sale of fixed assets	119	44
Provision for reserve under the special law	388	577
Provision for price fluctuation reserve	388	577
Other extraordinary losses	-	65
<b>Income before income taxes</b>	<b>14,036</b>	<b>29,474</b>
<b>Income taxes - current</b>	<b>8</b>	<b>7</b>
<b>Income taxes - deferred</b>	<b>5,105</b>	<b>10,684</b>
<b>Total income taxes</b>	<b>5,113</b>	<b>10,691</b>
<b>Net income</b>	<b>8,922</b>	<b>18,783</b>

**Results for the Year Ended March 31, 2011****Amount of Policies in Force and New Policies**

## (1) Amount of policies in force

(Yen in millions)

	As of March 31, 2010		As of March 31, 2011	
	Number of policies (in thousands)	Amount	Number of policies (in thousands)	Amount
Individual Insurance	9	114,009	9	113,737
Individual Annuities	387	3,023,577	416	2,969,304
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)

	FY 2009				FY 2010			
	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	1,682	1,682	-	0	4,344	4,344	-
Individual Annuities	62	406,436	406,436	-	44	249,402	249,402	-
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, 2010	As of March 31, 2011
Individual Insurance	9,578	9,557
Individual Annuities	522,135	426,018
Total	531,714	435,575
Medical coverage, living benefits, etc.	103	90

## (2) Amount of new policies

(Yen in millions)

	FY 2009	FY 2010
Individual Insurance	147	367
Individual Annuities	231,486	108,448
Total	231,634	108,816
Medical coverage, living benefits, etc.	0	-

(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.)

Selected Results of Operations

(Yen in millions)

	FY 2009	FY 2010	Change
Insurance premiums and other	451,168	251,510	(199,657)
Investment income	426,465	23,306	(403,158)
Insurance claims and other	164,406	212,653	48,246
Investment expenses	501	81,612	81,110
Ordinary profit	14,544	30,162	15,618
Net income	8,922	18,783	9,860

Total Assets

(Yen in millions)

	As of March 31, 2010	As of March 31, 2011
<b>Total assets</b>	<b>3,116,508</b>	<b>3,069,708</b>
Separate account balance	2,586,618	2,400,816

**Solvency Margin Ratio**

(Yen in millions)

	As of March 31, 2010	As of March 31, 2011
(A) Total amount of solvency margin	174,313	182,069
Total capital	35,408	54,191
Reserve for price fluctuation	682	1,260
Contingency reserve	13,930	16,234
General bad debts reserve	-	-
Net unrealized gains/losses on securities×90% (100% in case of negative value)	(23)	138
Net unrealized gains/losses on land×85%	-	-
Excess of continued Zillmerized reserve	123,314	110,243
Subordinated debt, etc.	1,000	-
Deductions	-	-
Others	-	-
(B) Total amount of risks $\sqrt{(R_1 + R_8)^2 + (R_2 + R_3 + R_7)^2} + R_4$	32,949	35,474
Insurance risk (R <sub>1</sub> )	17	28
Third sector insurance risk (R <sub>8</sub> )	20	18
Assumed interest risk (R <sub>2</sub> )	2,747	3,102
Asset management risk (R <sub>3</sub> )	9,386	11,160
Business administration risk (R <sub>4</sub> )	960	1,034
Minimum guarantee risk (R <sub>7</sub> )	19,854	20,176
(C) Solvency margin ratio [(A)/{(B)×1/2}]×100	1,058.0%	1,026.4%

(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
(A) Total amount of solvency margin	143,513
Total capital	54,191
Reserve for price fluctuation	1,260
Contingency reserve	16,234
General bad debts reserve	-
Net unrealized gains/losses on securities×90%	138
Net unrealized gains/losses on land×85%	-
Excess of continued Zillmerized reserve (a)	110,243
Subordinated debt, etc. (b)	-
Amount excluded from the margin out of (a) and (b)	(38,556)
Deductions	-
Others	-
(B) Total amount of risks $\sqrt{(R_1 + R_8)^2 + (R_2 + R_3 + R_7)^2} + R_4$	42,720
Insurance risk (R <sub>1</sub> )	28
Third sector insurance risk (R <sub>8</sub> )	18
Assumed interest risk (R <sub>2</sub> )	8,854
Asset management risk (R <sub>3</sub> )	12,428
Business administration risk (R <sub>4</sub> )	1,245
Minimum guarantee risk (R <sub>7</sub> )	20,191
(C) Solvency margin ratio [(A)/{(B)×1/2}]×100	671.8%