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Explanatory Material for Business Results for the Six Months Ended September 30, 2013

November 19, 2013

MS&AD Insurance Group Holdings, Inc.

UNOFFICIAL TRANSLATION

This document is an unofficial English translation of the Japanese original.

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1. Summary of Consolidated Business Results

(1) Consolidated Business Performance

(Yen in 100 millions)

	Items	Six months ended September 30, 2012	Six months ended September 30, 2013	Change	Change ratio (%)
Ordinary income and expenses:					
Underwriting income:	1	18,958	17,339	(1,618)	(8.5)
Net premiums written	2	13,404	14,241	836	6.2
Deposit premiums from policyholders	3	843	775	(67)	(8.0)
Life insurance premiums	4	3,378	1,827	(1,551)	(45.9)
Reversal of outstanding claims	5	583	196	(387)	(66.4)
Reversal of underwriting reserves	6	426	-	(426)	(100.0)
Underwriting expenses:	7	15,031	15,856	824	5.5
Net claims paid	8	8,738	8,215	(522)	(6.0)
Loss adjustment expenses	9	673	694	21	3.2
Commission and collection expenses	10	2,559	2,740	181	7.1
Maturity refunds to policyholders	11	1,980	1,579	(400)	(20.2)
Life insurance claims	12	993	1,758	764	76.9
Provision for underwriting reserves	13	-	822	822	-
Investment income:	14	1,050	3,314	2,263	215.4
Interest and dividends income	15	958	1,087	129	13.5
Investment gains on money trusts	16	67	47	(20)	(29.8)
Gains on sales of securities	17	236	404	167	71.0
Gains on derivative transactions	18	53	37	(15)	(29.8)
Investment gains on separate accounts	19	-	1,978	1,978	-
Investment expenses:	20	2,404	472	(1,931)	(80.3)
Investment losses on money trusts	21	34	360	326	934.9
Losses on sales of securities	22	31	20	(11)	(34.8)
Impairment losses on securities	23	1,244	39	(1,204)	(96.8)
Investment losses on separate accounts	24	930	-	(930)	(100.0)
Operating expenses and general and administrative expenses	25	2,477	2,599	121	4.9
Other ordinary income and expenses:	26	(33)	(95)	(62)	-
Gains/(losses) on equity method investments	27	(8)	(22)	(14)	-
Deferred expenses under Article 113 of the Insurance Business Act	28	(3)	-	3	-
Ordinary profit/(loss)	29	66	1,630	1,564	2,338.7
Extraordinary income and losses:					
Extraordinary income	30	24	6	(18)	(72.8)
Extraordinary losses	31	30	52	22	72.7
Extraordinary income and losses	32	(5)	(45)	(40)	-
Income/(loss) before income taxes and minority interests	33	61	1,585	1,523	2,492.9
Income taxes - current	34	100	141	40	40.9
Income taxes - deferred	35	45	334	288	632.9
Total income taxes	36	145	475	329	226.1
Income/(loss) before minority interests	37	(84)	1,109	1,194	-
Minority interests	38	9	14	4	44.1
Net income/(loss)	39	(94)	1,095	1,190	-

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

(2) Breakdown of Results by Company (Net Premiums Written, Ordinary Profit and Net Income)

(Yen in 100 millions)

	Items	Six months ended September 30, 2012	Six months ended September 30, 2013	Change	Change ratio (%)
Net premiums written ^{Note 1}	1	13,404	14,241	836	6.2
Mitsui Sumitomo Insurance ^{Note 1}	2	6,674	7,007	332	5.0
Aioi Nissay Dowa Insurance	3	5,560	5,775	214	3.9
Mitsui Direct General Insurance	4	174	175	1	0.6
Overseas insurance subsidiaries	5	993	1,265	271	27.4
Ordinary profit/(loss)	6	66	1,630	1,564	2,338.7
Mitsui Sumitomo Insurance	7	126	873	747	591.3
Aioi Nissay Dowa Insurance	8	(70)	400	471	-
Net income/(loss)	9	(94)	1,095	1,190	-
Mitsui Sumitomo Insurance	10	102	603	501	490.7
Aioi Nissay Dowa Insurance	11	(157)	283	440	-
Mitsui Direct General Insurance	12	6	5	(0)	(8.0)
Mitsui Sumitomo Aioi Life Insurance	13	0	32	32	106,264.6
Mitsui Sumitomo Primary Life Insurance	14	89	145	55	61.7
Overseas insurance subsidiaries	15	105	170	65	61.8
Others	16	2	9	6	256.9
Consolidation adjustments and holding company	17	(243)	(155)	87	-

(Notes) 1. Net premiums written exclude Good Result Return premiums of Mitsui Sumitomo Insurance's proprietary automobile insurance product "ModoRich", which contains a special clause related to premium adjustment and refund at maturity.

2. Items 10 to 16 represent the net income or loss on a non-consolidated basis with taking into account the Company's ownership interests in its subsidiaries.

(3) Breakdown of Results of Overseas Insurance Subsidiaries by Region

(Yen in 100 millions)

	Items	Six months ended September 30, 2012	Six months ended September 30, 2013	Change	Change ratio (%)
Net premiums written	1	993	1,265	271	27.4
Asia	2	470	604	134	28.5
Europe	3	271	353	82	30.3
Americas	4	140	183	43	31.3
Reinsurance	5	111	123	11	10.6
Net income/(loss)	6	105	170	65	61.8
Asia	7	57	72	14	25.6
Europe	8	12	34	21	171.9
Americas	9	7	9	2	28.3
Reinsurance	10	27	54	26	95.9

(4) Summary of Results of Domestic Life Insurance Business

(Yen in 100 millions)

	Items	Six months ended September 30, 2012	Six months ended September 30, 2013	Change	Change ratio (%)	Year ended March 31, 2013
Amount of new policies						
	Mitsui Sumitomo Aioi Life Insurance	18,283	13,738	(4,544)	(24.9)	37,105
	Mitsui Sumitomo Primary Life Insurance	2,175	3,022	847	38.9	4,322
Amount of policies in force						
	Mitsui Sumitomo Aioi Life Insurance	190,385	206,182	5,436	2.7	200,746
	Mitsui Sumitomo Primary Life Insurance	31,030	36,634	19	0.1	36,614
Annualized premiums for policies in force						
	Mitsui Sumitomo Aioi Life Insurance	3,031	3,250	75	2.4	3,174
	Mitsui Sumitomo Primary Life Insurance	4,431	4,184	(158)	(3.6)	4,342

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

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

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

(1) Business Performance

(Yen in 100 millions)

	Items	Six months ended September 30, 2012	Six months ended September 30, 2013	Change	Change ratio
(+) Net premiums written	1	6,674	7,007	332	5.0
(-) Net claims paid	2	4,450	4,086	(364)	(8.2)
(-) Loss adjustment expenses	3	382	391	9	2.5
(-) Commissions and collection expenses	4	1,157	1,213	56	4.9
(-) Operating expenses and general and administrative expenses for underwriting	5	966	969	3	0.4
Underwriting result	6	(281)	345	626	-
(-) Provision for outstanding claims	7	(480)	(183)	296	-
(-) Provision for ordinary underwriting reserves	8	150	258	107	71.1
(-) Provision for catastrophe reserve	9	(408)	(32)	375	-
(+) Other	10	7	8	0	10.2
Underwriting profit/(loss)	11	463	310	(152)	(32.9)
(+) Interest and dividends income	12	514	601	87	17.0
(-) Transfer of investment income on deposit premiums from policyholders	13	224	207	(17)	(7.6)
Net interest and dividends income (item 12 - item 13)	14	289	394	104	36.0
(+) Gains/(losses) on sales of securities	15	144	263	118	82.0
(-) Impairment losses on securities	16	627	10	(616)	(98.3)
(+) Gains/(losses) on derivative transactions	17	53	61	7	13.2
(+) Other	18	(152)	(43)	108	-
Investment profit/(loss)	19	(291)	664	955	-
(+) Other ordinary profit/(loss)	20	(45)	(101)	(55)	-
Ordinary profit/(loss)	21	126	873	747	591.3
(+) Extraordinary income/(loss):	22	7	(28)	(35)	(501.5)
Reserve for price fluctuation	23	14	(12)	(26)	(190.9)
Income/(loss) before income taxes	24	133	845	711	532.9
(-) Income taxes	25	31	241	209	670.9
Net income/(loss)	26	102	603	501	490.7

Ratios	Net loss ratio	27	72.4 %	63.9 %	(8.5) %	
	Net expense ratio	28	31.8 %	31.2 %	(0.6) %	
	Combined ratio	29	104.2 %	95.1 %	(9.1) %	

Incurred losses (item 2 + item 7)	30	3,970	3,903	(67)	(1.7)
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- (Notes) 1. Net loss ratio = (net claims paid + loss adjustment expenses) / net premiums written x 100
2. Net expense ratio = (commissions and collection expenses + operating expenses and general and administrative expenses for underwriting) / net premiums written x 100
3. Combined ratio = net loss ratio + net expense ratio

(Reference) Excluding residential earthquake insurance and CALI*

	Net premiums written	31	5,874	6,157	283	4.8
Ratios	Net loss ratio	32	69.5 %	60.7 %	(8.8) %	
	Net expense ratio	33	33.5 %	33.0 %	(0.5) %	
	Combined ratio	34	103.0 %	93.7 %	(9.3) %	

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

(2) Premiums written

(Yen in 100 millions)

	Net premiums written				Direct premiums written (excluding deposit premiums from policyholders)			
	Six months ended September 30, 2012		Six months ended September 30, 2013		Six months ended September 30, 2012		Six months ended September 30, 2013	
	Amount	Change ratio %	Amount	Change ratio %	Amount	Change ratio %	Amount	Change ratio %
Fire and allied	919	(2.9)	1,053	14.6	1,239	6.5	1,346	8.6
Marine	270	(2.9)	289	6.9	355	(0.1)	392	10.6
Personal accident	751	3.6	759	1.0	786	3.7	797	1.3
Voluntary automobile	2,960	4.2	3,047	2.9	2,970	4.5	3,057	2.9
CALI	794	12.6	845	6.4	763	6.6	851	11.5
Other	977	4.1	1,011	3.4	1,032	3.9	1,101	6.7
Total	6,674	3.7	7,007	5.0	7,148	4.6	7,547	5.6

(3) Net claims paid

(Yen in 100 millions)

	Six months ended September 30, 2012			Six months ended September 30, 2013			
	Amount	Change ratio %	Net loss ratio %	Amount	Change ratio %	Net loss ratio %	Change %
Fire and allied	1,024	(17.7)	113.9	719	(29.7)	70.5	(43.4)
Marine	130	(10.0)	51.7	173	32.8	63.0	11.3
Personal accident	378	1.2	56.2	398	5.3	58.5	2.3
Voluntary automobile	1,788	(2.0)	67.7	1,696	(5.1)	62.9	(4.8)
CALI	686	1.9	94.1	672	(2.0)	87.4	(6.7)
Other	442	3.8	48.2	425	(3.8)	44.8	(3.4)
Total	4,450	(5.1)	72.4	4,086	(8.2)	63.9	(8.5)

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

(Reference) Incurred losses caused by natural disasters in Japan

(Yen in 100 millions)

	Six months ended September 30, 2012			Six months ended September 30, 2013		
	Incurred losses	Net claims paid	Movement in outstanding claims	Incurred losses	Net claims paid	Movement in outstanding claims
Fire and allied	228	143	84	114	18	95
Voluntary automobile	31	24	7	15	8	7
Other	19	6	13	9	1	8
Total	280	174	105	139	28	110

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

Net claims paid including claims in previous years (excluding claims relating to the Great East Japan Earthquake) are ¥20.4 billion (¥16.9 billion in Fire and allied, ¥2.4 billion in Voluntary automobile and ¥1.0 billion in Other) during the six months ended September 30, 2012 and ¥5.3 billion (¥3.6 billion in Fire and allied, ¥1.0 billion in Voluntary automobile and ¥0.6 billion in Other) during the six months ended September 30, 2013.

(Reference) Incurred losses caused by flooding in Thailand

(Yen in 100 millions)

	Six months ended September 30, 2012			Six months ended September 30, 2013		
	Incurred losses	Net claims paid	Movement in outstanding claims	Incurred losses	Net claims paid	Movement in outstanding claims
Incurred losses	(172)	417	(589)	(139)	216	(355)

(Notes) 1. Movement in outstanding claims represents provision as a positive number and reversal as a negative number.

2. Incurred losses include influence of exchange rate fluctuations.

(4) Expenses

<Company expenses>

(Yen in 100 millions)

	Items	Six months ended September 30, 2012			Six months ended September 30, 2013		
		Amount	Change	Change ratio %	Amount	Change	Change ratio %
Personnel expenses	1	792	(4)	(0.6)	790	(1)	(0.2)
Non-personnel expenses	2	536	8	1.5	545	8	1.7
Taxes and contributions	3	64	(0)	(1.5)	71	6	10.7
Total	4	1,393	2	0.2	1,407	13	1.0

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

<Expenses for underwriting>

(Yen in 100 millions)

	Items	Six months ended September 30, 2012			Six months ended September 30, 2013		
		Amount	Change	Change ratio %	Amount	Change	Change ratio %
Operating expenses and general and administrative expenses	5	966	(7)	(0.8)	969	3	0.4
Commissions and collection expenses	6	1,157	30	2.7	1,213	56	4.9
Total	7	2,123	22	1.1	2,183	60	2.8
Net expense ratio	8	31.8 %	(0.8) %		31.2 %	(0.6) %	

(5) Outstanding claims

(Yen in 100 millions)

	September 30, 2012		September 30, 2013	
	Balance	Movement	Balance	Movement
Fire and allied	1,783	(445)	1,287	(267)
Marine	245	(7)	276	4
Personal accident	553	2	565	5
Voluntary automobile	2,427	(49)	2,496	9
CALI	500	(17)	514	7
Other	998	36	1,114	57
Total	6,509	(480)	6,255	(183)

(6) Incurred losses and earned-incurred loss ratio

(Yen in 100 millions)

	Six months ended September 30, 2012		Six months ended September 30, 2013			
	Incurred losses	Earned-incurred loss ratio	Incurred losses	Change	Earned-incurred loss ratio	Change
		%			%	%
Fire and allied	601	64.9	475	(126)	49.5	(15.4)
Marine	132	48.8	186	54	64.9	16.1
Personal accident	425	61.9	450	24	65.1	3.2
Voluntary automobile	1,955	67.3	1,926	(29)	64.1	(3.2)
Other	507	56.6	510	3	57.3	0.7
Total	3,622	63.7	3,548	(73)	60.8	(2.9)

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

The calculation is exclusive of residential earthquake insurance and CALI.

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

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

Earned-incurred loss ratio = incurred losses / earned premiums

(7) Underwriting reserves

(Yen in 100 millions)

		September 30, 2013				
		Total underwriting reserves	Ordinary underwriting reserves	Reserve for refunds and dividends to policyholders	Catastrophe reserve	Contingency reserve
Fire and allied	Balance	8,793	5,537	2,143	1,112	-
	Movement	12	93	(82)	1	-
Marine	Balance	892	211	-	681	-
	Movement	0	(12)	-	13	-
Personal accident	Balance	14,910	1,157	13,103	649	-
	Movement	(246)	67	(312)	(1)	-
Voluntary automobile	Balance	2,050	1,865	83	101	-
	Movement	(36)	42	8	(87)	-
CALI	Balance	2,112	2,112	-	-	-
	Movement	(25)	(25)	-	-	-
Other	Balance	4,449	2,387	630	1,430	-
	Movement	127	93	(8)	42	-
Total	Balance	33,208	13,273	15,960	3,974	-
	Movement	(169)	258	(395)	(32)	-

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

(8) Catastrophe reserve

(Yen in 100 millions)

	March 31, 2013		September 30, 2013			
	Balance	Reserve ratio	Reversal	Provision	Balance	Reserve ratio
		%				%
Fire and allied	1,110	59.4	93	95	1,112	53.0
Marine	667	124.4	-	13	681	117.6
Personal accident	650	45.5	25	23	649	42.7
Voluntary automobile	189	3.2	185	97	101	1.7
Other	1,388	76.3	13	56	1,430	70.7
Total	4,006	34.7	318	286	3,974	32.3

(Note) Reserve ratio = catastrophe reserve / (net premiums written (excluding premiums of residential earthquake insurance and CALI and Good Result Return premiums of the automobile insurance product "ModoRich")) x 100

The calculation for the reserve ratio as of September 30, 2013 has been made using twice the net premiums written for the six months ended September 30, 2013 as a denominator.

(9) Investment assets

(Yen in 100 millions)

	March 31, 2013	September 30, 2013	
			Change
Cash, deposits and savings	4,001	4,930	928
Investments in securities	41,179	43,674	2,495
Domestic bonds	17,151	17,146	(4)
Stock	16,406	18,632	2,226
Foreign securities	7,388	7,681	292
Other securities	232	214	(18)
Loans	5,760	5,673	(86)
Land and buildings	2,230	2,288	57
Total	53,172	56,567	3,395

(Reference)

Long-term investment assets	16,257	15,853	(403)
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(Reference) Breakdown of domestic bonds

(Yen in 100 millions)

	March 31, 2013	September 30, 2013	
			Change
Government bonds	9,289	9,916	626
Municipal bonds	1,107	1,008	(98)
Corporate bonds	6,754	6,221	(532)
Government agency bonds	2,167	1,946	(220)
Specific financial institution bonds	-	-	-
Other corporate bonds	4,587	4,274	(312)
Total	17,151	17,146	(4)

(10) Breakdown of interest and dividends income

(Yen in 100 millions)

	Six months ended September 30, 2012	Six months ended September 30, 2013	
			Change
Investments in securities	407	510	103
Domestic bonds	130	125	(5)
Stock	169	184	14
Foreign securities	101	176	74
Other securities	5	24	19
Loans	51	43	(7)
Land and buildings	26	32	5
Other	28	14	(14)
Total	514	601	87

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

(Yen in 100 millions)

September 30, 2013	Cost	Fair value	Difference	Change from March 31, 2013
Domestic bonds	16,323	17,146	823	(282)
Stock	6,954	17,931	10,976	2,399
Foreign securities	2,730	2,880	150	(43)
Other securities	1,707	1,772	65	(10)
Total	27,716	39,730	12,014	2,063

(Yen in 100 millions)

March 31, 2013	Cost	Fair value	Difference
Domestic bonds	16,045	17,151	1,105
Stock	7,124	15,701	8,576
Foreign securities	2,388	2,581	193
Other securities	1,071	1,147	76
Total	26,631	36,582	9,951

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

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

Gains and losses on sales of securities

(Yen in 100 millions)

	Six months ended September 30, 2012 Gains/(losses)	Six months ended September 30, 2013		
		Gains/(losses)	Gains	Losses
Domestic bonds	17	28	31	3
Stock	129	229	229	0
Foreign securities	(1)	5	7	1
Other securities	-	(0)	-	0
Total	144	263	268	4

Impairment losses on securities

(Yen in 100 millions)

	Six months ended September 30, 2012	Six months ended September 30, 2013	
			Change
Domestic bonds	6	-	(6)
Stock	619	6	(613)
Foreign securities	1	4	3
Other securities	0	-	(0)
Total	627	10	(616)

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

(1) Business Performance

(Yen in 100 millions)

	Items	Six months ended September 30, 2012	Six months ended September 30, 2013	Change	Change ratio
(+)	Net premiums written	5,560	5,775	214	3.9 %
(-)	Net claims paid	3,656	3,375	(281)	(7.7)
(-)	Loss adjustment expenses	254	254	0	0.1
(-)	Commissions and collection expenses	987	1,031	44	4.5
(-)	Operating expenses and general and administrative expenses for underwriting	882	918	35	4.0
	Underwriting result	(219)	196	415	-
(-)	Provision for outstanding claims	(74)	94	168	-
(-)	Provision for ordinary underwriting reserves	(40)	48	89	-
(-)	Provision for catastrophe reserve	(282)	(35)	247	-
(+)	Other	(4)	19	24	-
	Underwriting profit/(loss)	173	108	(65)	(37.5)
(+)	Interest and dividends income	288	346	58	20.3
(-)	Transfer of investment income on deposit premiums from policyholders	103	97	(6)	(6.1)
	Net interest and dividends income (item 12 - item 13)	184	249	64	35.1
(+)	Gains/(losses) on sales of securities	45	98	53	118.8
(-)	Impairment losses on securities	386	31	(354)	(91.9)
(+)	Gains/(losses) on derivative transactions	(3)	(0)	2	-
(+)	Other	(75)	(39)	36	-
	Investment profit/(loss)	(235)	276	511	-
(+)	Other ordinary profit/(loss)	(8)	16	24	-
	Ordinary profit/(loss)	(70)	400	471	-
(+)	Extraordinary income/(loss):	(6)	(6)	(0)	-
	Reserve for price fluctuation	9	(8)	(17)	(185.3)
	Income/(loss) before income taxes	(76)	393	470	-
(-)	Income taxes	80	110	29	36.9
	Net income/(loss)	(157)	283	440	-

Ratios	Net loss ratio	27	70.3 %	62.8 %	(7.5) %	
	Net expense ratio	28	33.6 %	33.8 %	0.2 %	
	Combined ratio	29	103.9 %	96.6 %	(7.3) %	

Incurred losses (item 2 + item 7)	30	3,582	3,469	(113)	(3.2)
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- (Notes) 1. Net loss ratio = (net claims paid + loss adjustment expenses) / net premiums written x 100
2. Net expense ratio = (commissions and collection expenses + operating expenses and general and administrative expenses for underwriting) / net premiums written x 100
3. Combined ratio = net loss ratio + net expense ratio

(Reference) Excluding residential earthquake insurance and CALI

	Net premiums written	31	4,782	4,967	184	3.9
Ratios	Net loss ratio	32	67.2 %	59.3 %	(7.9) %	
	Net expense ratio	33	35.2 %	35.6 %	0.4 %	
	Combined ratio	34	102.4 %	94.9 %	(7.5) %	

(2) Premiums written

(Yen in 100 millions)

	Net premiums written				Direct premiums written (excluding deposit premiums from policyholders)			
	Six months ended September 30, 2012		Six months ended September 30, 2013		Six months ended September 30, 2012		Six months ended September 30, 2013	
	Amount	Change ratio %	Amount	Change ratio %	Amount	Change ratio %	Amount	Change ratio %
Fire and allied	604	(1.9)	672	11.3	888	5.0	980	10.4
Marine	47	6.3	56	18.0	48	2.2	49	3.5
Personal accident	378	1.3	381	0.8	395	0.4	398	0.7
Voluntary automobile	3,236	2.2	3,318	2.5	3,165	2.4	3,231	2.1
CALI	774	9.6	804	4.0	828	3.8	910	9.9
Other	518	(0.9)	541	4.4	679	(2.8)	654	(3.7)
Total	5,560	2.4	5,775	3.9	6,005	2.2	6,224	3.7

(3) Net claims paid

(Yen in 100 millions)

	Six months ended September 30, 2012			Six months ended September 30, 2013			
	Amount	Change ratio %	Net loss ratio %	Amount	Change ratio %	Net loss ratio %	Change %
Fire and allied	535	(48.2)	90.9	379	(29.2)	58.6	(32.3)
Marine	23	(8.1)	52.2	33	41.3	61.0	8.8
Personal accident	177	(0.4)	50.2	170	(4.3)	47.6	(2.6)
Voluntary automobile	1,967	0.0	65.8	1,899	(3.5)	62.0	(3.8)
CALI	647	2.6	90.0	629	(2.7)	84.7	(5.3)
Other	304	(7.0)	61.7	263	(13.7)	51.5	(10.2)
Total	3,656	(12.2)	70.3	3,375	(7.7)	62.8	(7.5)

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

(Reference) Incurred losses caused by natural disasters in Japan

(Yen in 100 millions)

	Six months ended September 30, 2012			Six months ended September 30, 2013		
	Incurred losses	Net claims paid	Movement in outstanding claims	Incurred losses	Net claims paid	Movement in outstanding claims
Fire and allied	175	114	61	74	14	60
Voluntary automobile	29	26	2	14	8	5
Other	6	3	2	2	0	2
Total	211	144	67	91	22	68

(Note) The above table represents incurred losses caused by natural disasters in Japan during the six months ended September 30, 2013.

Net claims paid including claims in previous years (excluding claims relating to the Great East Japan Earthquake) are ¥15.9 billion (¥12.7 billion in Fire and allied, ¥2.7 billion in Voluntary automobile and ¥0.4 billion in Other) during the six months ended September 30, 2012 and ¥3.3 billion (¥2.3 billion in Fire and allied, ¥0.9 billion in Voluntary automobile and ¥0.1 billion in Other) during the six months ended September 30, 2013.

(Reference) Incurred losses caused by flooding in Thailand

(Yen in 100 millions)

	Six months ended September 30, 2012			Six months ended September 30, 2013		
	Incurred losses	Net claims paid	Movement in outstanding claims	Incurred losses	Net claims paid	Movement in outstanding claims
Incurred losses	(11)	48	(60)	(17)	25	(43)

(Notes) 1. Movement in outstanding claims represents provision as a positive number and reversal as a negative number.

2. Incurred losses include influence of exchange rate fluctuations.

(4) Expenses

<Company expenses>

(Yen in 100 millions)

	Items	Six months ended September 30, 2012			Six months ended September 30, 2013		
		Amount	Change	Change ratio %	Amount	Change	Change ratio %
Personnel expenses	1	600	(30)	(4.9)	604	4	0.7
Non-personnel expenses	2	516	(32)	(6.0)	542	25	5.0
Taxes and contributions	3	56	(2)	(4.9)	58	2	4.3
Total	4	1,173	(66)	(5.4)	1,205	32	2.8

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

<Expenses for underwriting>

(Yen in 100 millions)

	Items	Six months ended September 30, 2012			Six months ended September 30, 2013		
		Amount	Change	Change ratio %	Amount	Change	Change ratio %
Operating expenses and general and administrative expenses	5	882	(60)	(6.4)	918	35	4.0
Commissions and collection expenses	6	987	21	2.3	1,031	44	4.5
Total	7	1,869	(38)	(2.0)	1,949	80	4.3
Net expense ratio	8	33.6 %	(1.5) %		33.8 %	0.2 %	

(5) Outstanding claims

(Yen in 100 millions)

	September 30, 2012		September 30, 2013	
	Balance	Movement	Balance	Movement
Fire and allied	656	(20)	505	12
Marine	37	1	36	(4)
Personal accident	285	(5)	281	2
Voluntary automobile	2,706	(28)	2,848	33
CALI	475	(16)	483	3
Other	587	(6)	671	45
Total	4,749	(74)	4,826	94

(6) Incurred losses and earned-incurred loss ratio

(Yen in 100 millions)

	Six months ended September 30, 2012		Six months ended September 30, 2013			
	Incurred losses	Earned-incurred loss ratio	Incurred losses	Change	Earned-incurred loss ratio	Change
		%			%	%
Fire and allied	529	76.9	407	(122)	57.0	(19.9)
Marine	26	58.1	29	2	58.6	0.5
Personal accident	184	54.0	184	(0)	54.6	0.6
Voluntary automobile	2,100	66.0	2,092	(8)	64.3	(1.7)
Other	314	62.9	324	10	64.5	1.6
Total	3,155	66.3	3,038	(117)	62.5	(3.8)

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

The calculation is exclusive of residential earthquake insurance and CALI.

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

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

Earned-incurred loss ratio = incurred losses / earned premiums

(7) Underwriting reserves

(Yen in 100 millions)

		September 30, 2013				
		Total underwriting reserves	Ordinary underwriting reserves	Reserve for refunds and dividends to policyholders	Catastrophe reserve	Contingency reserve
Fire and allied	Balance	7,049	4,814	1,110	1,121	2
	Movement	(56)	(41)	(39)	24	0
Marine	Balance	176	40	-	135	-
	Movement	8	6	-	2	-
Personal accident	Balance	5,934	673	4,679	578	3
	Movement	(55)	44	(111)	12	0
Voluntary automobile	Balance	2,043	1,924	11	107	0
	Movement	(34)	63	2	(100)	0
CALI	Balance	2,237	2,237	-	-	-
	Movement	(51)	(51)	-	-	-
Other	Balance	1,914	1,219	172	521	0
	Movement	51	28	(2)	25	(0)
Total	Balance	19,355	10,909	5,973	2,464	6
	Movement	(137)	48	(151)	(35)	-

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

(8) Catastrophe reserve

(Yen in 100 millions)

	March 31, 2013		September 30, 2013			
	Balance	Reserve ratio	Reversal	Provision	Balance	Reserve ratio
		%				
Fire and allied	1,096	87.3	29	53	1,121	83.7
Marine	133	139.1	-	2	135	120.9
Personal accident	566	78.7	-	12	578	75.8
Voluntary automobile	207	3.2	207	107	107	1.6
Other	496	50.8	2	28	521	48.2
Total	2,500	26.3	239	203	2,464	24.8

(Note) Reserve ratio = catastrophe reserve / (net premiums written (excluding premiums of residential earthquake insurance and CALI)) x 100
The calculation for the reserve ratio as of September 30, 2013 has been made using twice the net premiums written for the six months ended September 30, 2013 as a denominator.

(9) Investment assets

(Yen in 100 millions)

	March 31, 2013	September 30, 2013	
			Change
Cash, deposits and savings	950	1,205	254
Investments in securities	22,927	23,642	715
Domestic bonds	9,505	9,929	424
Stock	6,620	7,090	469
Foreign securities	6,396	6,201	(195)
Other securities	405	421	16
Loans	2,466	2,246	(220)
Land and buildings	1,755	1,732	(22)
Total	28,099	28,827	727

(Reference)

Long-term investment assets	6,114	5,960	(154)
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(Reference) Breakdown of domestic bonds

(Yen in 100 millions)

	March 31, 2013	September 30, 2013	
			Change
Government bonds	7,132	7,235	102
Municipal bonds	326	284	(41)
Corporate bonds	2,046	2,409	362
Government agency bonds	545	501	(44)
Specific financial institution bonds	42	246	203
Other corporate bonds	1,457	1,661	203
Total	9,505	9,929	424

(10) Breakdown of interest and dividends income

(Yen in 100 millions)

	Six months ended September 30, 2012	Six months ended September 30, 2013	
			Change
Investments in securities	238	302	63
Domestic bonds	45	51	6
Stock	83	102	18
Foreign securities	91	138	47
Other securities	18	9	(9)
Loans	22	18	(4)
Land and buildings	24	23	(1)
Other	2	2	0
Total	288	346	58

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

(Yen in 100 millions)

September 30, 2013	Cost	Fair value	Difference	Change from March 31, 2013
Domestic bonds	9,629	9,929	300	(83)
Stock	4,319	6,813	2,494	544
Foreign securities	5,607	5,767	159	(63)
Other securities	297	345	48	20
Total	19,854	22,855	3,001	417

(Yen in 100 millions)

March 31, 2013	Cost	Fair value	Difference
Domestic bonds	9,121	9,505	383
Stock	4,377	6,327	1,949
Foreign securities	5,738	5,961	223
Other securities	308	336	27
Total	19,546	22,130	2,584

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

2. "Other securities" includes certificates of deposits included in Cash, deposits and savings and loan receivable trust beneficiary certificates, etc. included in Monetary claims bought on the balance sheets.

Gains and losses on sales of securities

(Yen in 100 millions)

	Six months ended September 30, 2012 Gains/(losses)	Six months ended September 30, 2013 Gains/(losses)	Six months ended September 30, 2013	
			Gains	Losses
Domestic bonds	21	11	12	0
Stock	20	63	67	3
Foreign securities	3	22	27	4
Other securities	-	-	-	-
Total	45	98	106	7

Impairment losses on securities

(Yen in 100 millions)

	Six months ended September 30, 2012	Six months ended September 30, 2013	Change
Domestic bonds	-	-	-
Stock	382	25	(357)
Foreign securities	-	5	5
Other securities	3	-	(3)
Total	386	31	(354)

4. Earnings Forecasts

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

(Yen in 100 millions)

	Items	Forecasts for year ending March 31, 2014	Change from previous year
Net premiums written ^(Note) :	1	28,000	6.1 %
Net premiums written at overseas non-life insurance subsidiaries	2	2,390	28.4 %
Ordinary profit	3	1,910	406
Net income	4	1,250	413
Annual total of dividends per share	5	56.00 yen	2.00 yen

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

(Yen in 100 millions)

	Items	Forecasts for year ending March 31, 2014	Change from previous year
Net premiums written ^(Note)	6	13,750	4.6 %
Ordinary profit	7	1,150	496
Net income	8	800	373

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

(Yen in 100 millions)

	Items	Forecasts for year ending March 31, 2014	Change from previous year
Net premiums written	9	11,500	4.2 %
Ordinary profit	10	430	171
Net income	11	300	111

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

(Breakdown of earnings forecasts)

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

(Yen in 100 millions)

	Results for year ended March 31, 2013	Forecasts for year ending March 31, 2014
Direct premiums written (excluding deposit premiums from policyholders)	14,173	14,830
Change ratio	4.7 %	4.6 %
Net premiums written	13,142	13,750
Change ratio	3.5 %	4.6 %
Net loss ratio	73.3 %	68.3 %
Net expense ratio	32.4 %	32.5 %
Combined ratio	105.7 %	100.8 %
Underwriting profit/(loss)	(97)	150
Net interest and dividends income	577	625
Ordinary profit/(loss)	653	1,150
Net income/(loss)	426	800

(Reference) Excluding residential earthquake insurance and CALI

	Results for year ended March 31, 2013	Forecasts for year ending March 31, 2014
Change ratio of net premiums written	3.1 %	4.0 %
Net loss ratio	70.5 %	65.8 %
Net expense ratio	34.1 %	34.5 %
Combined ratio	104.6 %	100.3 %

Forecasts by line of insurance for the year ending March 31, 2014

(Yen in 100 millions)

	Net premiums written		Net loss ratio	
		Change ratio		Change
Fire and allied	2,059	9.6 %	84.3 %	(22.9) %
Marine	567	5.6 %	55.2 %	3.3 %
Personal accident	1,451	1.5 %	60.4 %	1.2 %
Voluntary automobile	6,068	2.7 %	66.2 %	(2.5) %
CALI	1,716	9.1 %	85.8 %	(8.6) %
Other	1,889	3.9 %	51.6 %	(1.1) %
Total	13,750	4.6 %	68.3 %	(5.0) %

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

(Yen in 100 millions)

	Results for year ended March 31, 2013	Forecasts for year ending March 31, 2014
Direct premiums written (excluding deposit premiums from policyholders)	11,996	12,440
Change ratio	1.8 %	3.7 %
Net premiums written	11,032	11,500
Change ratio	2.7 %	4.2 %
Net loss ratio	70.4 %	66.4 %
Net expense ratio	34.1 %	34.6 %
Combined ratio	104.5 %	101.0 %
Underwriting profit/(loss)	66	10
Net interest and dividends income	402	398
Ordinary profit/(loss)	258	430
Net income/(loss)	188	300

(Reference) Excluding residential earthquake insurance and CALI

	Results for year ended March 31, 2013	Forecasts for year ending March 31, 2014
Change ratio of net premiums written	2.4 %	3.8 %
Net loss ratio	67.3 %	63.5 %
Net expense ratio	35.7 %	36.5 %
Combined ratio	103.0 %	100.0 %

Forecasts by line of insurance for the year ending March 31, 2014

(Yen in 100 millions)

	Net premiums written		Net loss ratio	
		Change ratio		Change
Fire and allied	1,367	8.2 %	63.4 %	(17.7) %
Marine	109	13.7 %	53.2 %	2.7 %
Personal accident	732	1.7 %	49.7 %	(2.1) %
Voluntary automobile	6,619	2.6 %	65.5 %	(1.6) %
CALI	1,637	7.1 %	83.8 %	(6.6) %
Other	1,036	6.2 %	61.4 %	(1.8) %
Total	11,500	4.2 %	66.4 %	(4.0) %

[Supplementary Information]

1. Supplementary Information on Consolidated Business Results

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

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

(Yen in millions)

Lines of Insurance	Six months ended September 30, 2012			Six months ended September 30, 2013		
	Amount	Share %	Change ratio %	Amount	Share %	Change ratio %
Fire and allied	268,665	17.4	5.6	294,586	18.0	9.6
Marine	56,309	3.6	(0.1)	62,171	3.8	10.4
Personal accident	185,538	12.0	(2.7)	181,788	11.1	(2.0)
Voluntary automobile	666,627	43.2	3.2	693,168	42.4	4.0
CALI	159,217	10.3	5.1	176,225	10.8	10.7
Other	207,930	13.5	1.9	226,666	13.9	9.0
Total:	1,544,289	100.0	2.8	1,634,607	100.0	5.8
Deposit premiums from policyholders	84,371	5.5	(9.9)	77,593	4.7	(8.0)

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

Voluntary Automobile	667,274		3.1	692,353		3.8
Total	1,544,936		2.7	1,633,792		5.8

Net Premiums Written by Line of Insurance

(Yen in millions)

Lines of Insurance	Six months ended September 30, 2012			Six months ended September 30, 2013		
	Amount	Share %	Change ratio %	Amount	Share %	Change ratio %
Fire and allied	175,392	13.1	(2.0)	201,220	14.1	14.7
Marine	44,739	3.3	(4.9)	50,357	3.5	12.6
Personal accident	117,173	8.8	2.6	119,492	8.4	2.0
Voluntary automobile	671,472	50.1	3.2	699,813	49.1	4.2
CALI	157,086	11.7	11.1	165,253	11.6	5.2
Other	173,942	13.0	1.6	188,825	13.3	8.6
Total	1,339,807	100.0	2.8	1,424,962	100.0	6.4

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

Voluntary automobile	672,118		3.0	698,997		4.0
Total	1,340,453		2.7	1,424,147		6.2

Net Claims Paid by Line of Insurance

(Yen in millions)

Lines of Insurance	Six months ended September 30, 2012			Six months ended September 30, 2013		
	Amount	Share %	Change ratio %	Amount	Share %	Change ratio %
Fire and allied	167,209	19.1	(29.0)	120,349	14.6	(28.0)
Marine	20,562	2.4	(10.9)	26,609	3.2	29.4
Personal accident	56,882	6.5	0.8	58,438	7.1	2.7
Voluntary automobile	408,611	46.8	(0.9)	397,337	48.4	(2.8)
CALI	133,628	15.3	2.2	130,476	15.9	(2.4)
Other	86,913	9.9	(7.5)	88,342	10.8	1.6
Total	873,808	100.0	(8.2)	821,554	100.0	(6.0)

(Note) The figures in the above tables are those after the off-set of intersegment transactions.

(2) Available-for-Sale Securities

(Yen in millions)

Items		March 31, 2013			September 30, 2013		
		Carrying amount	Cost	Difference	Carrying amount	Cost	Difference
Securities whose carrying amount exceeds the cost	Domestic Bonds	3,924,222	3,689,939	234,283	3,954,029	3,771,596	182,433
	Stock	2,013,553	1,022,934	990,618	2,384,737	1,110,967	1,273,770
	Foreign Securities	991,096	900,485	90,611	860,707	783,422	77,284
	Other Securities	93,605	84,462	9,143	87,267	77,284	9,982
	Sub Total	7,022,477	5,697,821	1,324,655	7,286,742	5,743,271	1,543,471
Securities whose carrying amount does not exceed the cost	Domestic Bonds	221,420	223,248	(1,828)	270,225	272,211	(1,986)
	Stock	195,058	220,112	(25,053)	90,770	101,357	(10,587)
	Foreign Securities	280,292	290,482	(10,189)	508,298	521,130	(12,832)
	Other Securities	57,511	57,816	(305)	128,530	128,809	(278)
	Sub Total	754,282	791,659	(37,377)	997,824	1,023,509	(25,684)
Total		7,776,760	6,489,481	1,287,278	8,284,567	6,766,780	1,517,786

March 31, 2013	September 30, 2013
<p>1. Available-for-sale securities without practically determinable fair value are not included in the above table.</p> <p>2. "Other Securities" includes certificates of deposit included in Cash, deposits and savings, and commercial papers and loan receivable trust beneficiary certificates included in Monetary claims bought on the consolidated balance sheet.</p> <p>3. The Company and its consolidated subsidiaries recognized impairment losses of ¥34,030 million on Available-for-sale securities with practically determinable fair value (comprised of ¥32,608 million on Stock, ¥1,422 million on Foreign securities and ¥0 million on Other securities) and ¥4,234 million on Available-for-sale securities without practically determinable fair value (comprised of ¥3,997 million on Stock, ¥225 million on Foreign securities and ¥11 million on Other securities). In principle, the Company and its domestic consolidated subsidiaries recognize impairment losses on securities with practically determinable fair value if the fair value declines by 30% or more from the cost.</p>	<p>1. Available-for-sale securities without practically determinable fair value are not included in the above table.</p> <p>2. "Other Securities" includes certificates of deposit included in Cash, deposits and savings, and commercial papers and loan receivable trust beneficiary certificates included in Monetary claims bought on the consolidated balance sheet.</p> <p>3. The Company and its consolidated subsidiaries recognized impairment losses of ¥1,419 million on Available-for-sale securities with practically determinable fair value (comprised of ¥1,297 million on Stock and ¥122 million on Foreign securities) and ¥2,552 million on Available-for-sale securities without practically determinable fair value (comprised of ¥2,164 million on Stock and ¥387 million on Foreign securities). In principle, the Company and its domestic consolidated subsidiaries recognize impairment losses on securities with practically determinable fair value if the fair value declines by 30% or more from the cost.</p>

2. Summary of Business Results of Main Consolidated Subsidiaries

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

Non-Consolidated Balance Sheets

(Yen in millions)

Items	March 31, 2013	September 30, 2013
(Assets)		
Cash, deposits and savings	188,886	176,283
Call loans	69,000	40,000
Receivables under resale agreements	48,545	114,376
Monetary claims bought	83,966	151,409
Money trusts	9,978	11,085
Investments in securities	4,117,917	4,367,476
Loans	576,032	567,397
Tangible fixed assets	241,916	241,877
Intangible fixed assets	43,316	44,062
Other assets	487,529	426,707
Customers' liabilities under acceptances and guarantees	39,825	48,020
Bad debt reserve	(5,500)	(12,048)
Total assets	5,901,413	6,176,649
(Liabilities)		
Policy liabilities:	3,981,659	3,946,426
Outstanding claims	643,869	625,549
Underwriting reserves	3,337,789	3,320,877
Bonds issued	241,176	241,181
Other liabilities:	298,674	328,178
Income taxes payable	4,652	4,449
Lease obligations	2,064	2,257
Asset retirement obligations	5,128	5,127
Other liabilities	286,829	316,344
Reserve for pension and retirement benefits	87,390	141,639
Reserve for retirement benefits for officers	1,257	1,165
Accrued bonuses for employees	10,588	7,781
Reserves under the special laws:	5,151	6,424
Reserve for price fluctuation	5,151	6,424
Deferred tax liabilities	43,610	111,528
Acceptances and guarantees	39,825	48,020
Total liabilities	4,709,334	4,832,345
(Net assets)		
Shareholders' equity:		
Common stock	139,595	139,595
Capital surplus	93,107	93,107
Retained earnings	244,565	254,403
Total shareholders' equity	477,268	487,106
Valuation and translation adjustments:		
Net unrealized gains/(losses) on investments in securities	688,381	834,750
Net deferred gains/(losses) on hedges	26,428	22,446
Total valuation and translation adjustments	714,810	857,197
Total net assets	1,192,079	1,344,303
Total liabilities and net assets	5,901,413	6,176,649

Non-Consolidated Statements of Income

(Yen in millions)

Items	Six months ended September 30, 2012	Six months ended September 30, 2013
Ordinary income:	940,612	891,899
Underwriting income:	888,762	816,308
Net premiums written	666,836	701,528
Deposit premiums from policyholders	62,077	58,709
Investment income on deposit premiums from policyholders	22,477	20,769
Reversal of outstanding claims	48,020	18,320
Reversal of underwriting reserves	89,302	16,912
Investment income:	50,516	74,095
Interest and dividends income	51,458	60,194
Investment gains on money trusts	13	308
Gains on sales of securities	14,885	26,807
Gains on derivative transactions	5,390	6,101
Transfer of investment income on deposit premiums from policyholders	(22,477)	(20,769)
Other ordinary income	1,333	1,495
Ordinary expenses:	927,974	804,534
Underwriting expenses:	746,911	688,753
Net claims paid	445,068	408,634
Loss adjustment expenses	38,219	39,188
Commissions and collection expenses	115,707	121,369
Maturity refunds to policyholders	144,426	117,131
Investment expenses:	76,192	3,996
Investment losses on money trusts	96	-
Losses on sales of securities	404	459
Impairment losses on securities	62,742	1,080
Operating expenses and general and administrative expenses	101,123	101,545
Other ordinary expenses:	3,747	10,238
Interest expense	3,618	3,521
Ordinary profit/(loss)	12,638	87,365
Extraordinary income	1,860	223
Extraordinary losses	1,147	3,087
Income/(loss) before income taxes	13,351	84,501
Income taxes - current	565	1,122
Income taxes - deferred	2,561	22,985
Total income taxes	3,127	24,107
Net income/(loss)	10,224	60,394

Non-Consolidated Solvency Margin Ratio

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

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

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

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

(Yen in millions)

	March 31, 2013	September 30, 2013
(A) Total amount of solvency margin	1,958,579	2,163,430
Total net assets	462,870	475,407
Reserve for price fluctuation	5,151	6,424
Contingency reserve	-	-
Catastrophe reserve	412,208	409,413
General bad debt reserve	1,093	1,415
Net unrealized gains/(losses) on investments in securities (prior to tax effect deductions)	896,469	1,084,719
Net unrealized gains/(losses) on land	33,406	32,870
Excess of policyholders' contract deposits (a)	-	-
Subordinated debts, etc. (b)	106,191	106,191
Amount excluded from the margin, out of (a) and (b)	-	-
Deductions	43,152	43,142
Others	84,341	90,129
(B) Total amount of risks	673,800	721,993
$\sqrt{(R_1 + R_2)^2 + (R_3 + R_4)^2} + R_5 + R_6$		
General insurance risk (R ₁)	111,582	111,545
Insurance risk of third sector insurance contracts (R ₂)	-	-
Assumed interest rate risk (R ₃)	20,420	19,970
Asset management risk (R ₄)	499,540	540,172
Business administration risk (R ₅)	15,167	16,128
Catastrophe risk (R ₆)	126,834	134,723
(C) Solvency margin ratio [(A) / {(B)×1/2}] x 100	581.3%	599.2%

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

Non-Consolidated Balance Sheets

(Yen in millions)

Items	March 31, 2013	September 30, 2013
(Assets)		
Cash, deposits and savings	92,013	106,562
Call loans	-	11,000
Monetary claims bought	977	790
Money trusts	2,128	2,204
Investments in securities	2,292,734	2,364,245
Loans	246,684	224,681
Tangible fixed assets	185,771	185,433
Intangible fixed assets	29,971	35,417
Other assets	280,099	250,553
Deferred tax assets	106,449	80,276
Customers' liabilities under acceptances and guarantees	2,500	2,500
Bad debt reserve	(2,479)	(2,255)
Total assets	3,236,851	3,261,410
(Liabilities)		
Policy liabilities:	2,422,522	2,418,153
Outstanding claims	473,220	482,628
Underwriting reserves	1,949,302	1,935,524
Bonds issued	50,000	50,000
Other liabilities:	182,421	158,297
Income taxes payable	2,630	2,680
Lease obligations	212	382
Asset retirement obligations	528	542
Other liabilities	179,050	154,691
Reserve for pension and retirement benefits	19,313	15,137
Accrued bonuses for employees	6,064	5,405
Reserves under the special laws:	1,624	2,426
Reserve for price fluctuation	1,624	2,426
Acceptances and guarantees	2,500	2,500
Total liabilities	2,684,446	2,651,919
(Net assets)		
Shareholders' equity:		
Common stock	100,005	100,005
Capital surplus	81,210	81,210
Retained earnings	191,575	218,541
Total shareholders' equity	372,790	399,756
Valuation and translation adjustments:		
Net unrealized gains/(losses) on investments in securities	179,614	209,733
Total valuation and translation adjustments	179,614	209,733
Total net assets	552,405	609,490
Total liabilities and net assets	3,236,851	3,261,410

Non-Consolidated Statements of Income

(Yen in millions)

Items	Six months ended September 30, 2012	Six months ended September 30, 2013
Ordinary income:	679,491	658,398
Underwriting income:	652,634	621,099
Net premiums written	556,099	577,516
Deposit premiums from policyholders	22,293	18,883
Investment income on deposit premiums from policyholders	10,368	9,735
Reversal of outstanding claims	7,437	-
Reversal of underwriting reserves	56,179	13,777
Investment income:	25,467	35,716
Interest and dividends income	28,811	34,659
Investment gains on money trusts	0	0
Gains on sales of securities	6,960	10,645
Transfer of investment income on deposit premiums from policyholders	(10,368)	(9,735)
Other ordinary income	1,388	1,581
Ordinary expenses:	686,526	618,326
Underwriting expenses:	547,324	517,295
Net claims paid	365,681	337,513
Loss adjustment expenses	25,402	25,418
Commissions and collection expenses	98,700	103,155
Maturity refunds to policyholders	53,602	40,864
Provision for outstanding claims	-	9,408
Investment expenses:	45,934	5,339
Losses on sales of securities	2,454	786
Impairment losses on securities	38,607	3,120
Losses on derivative transactions	313	77
Operating expenses and general and administrative expenses	91,930	95,157
Other ordinary expenses:	1,337	534
Interest expense	7	376
Ordinary profit/(loss)	(7,035)	40,071
Extraordinary income	1,217	533
Extraordinary losses	1,831	1,214
Income/(loss) before income taxes	(7,648)	39,390
Income taxes - current	86	757
Income taxes - deferred	7,975	10,281
Total income taxes	8,062	11,039
Net income/(loss)	(15,710)	28,351

Non-Consolidated Solvency Margin Ratio

(Yen in millions)

	March 31, 2013	September 30, 2013
(A) Total amount of solvency margin	965,962	1,043,860
Total net assets	365,590	393,857
Reserve for price fluctuation	1,624	2,426
Contingency reserve	693	693
Catastrophe reserve	257,920	254,681
General bad debt reserve	379	396
Net unrealized gains/(losses) on investments in securities (prior to tax effect deductions)	233,054	272,147
Net unrealized gains/(losses) on land	2,719	2,187
Excess of policyholders' contract deposits (a)	-	-
Subordinated debts, etc. (b)	50,000	50,000
Amount excluded from the margin, out of (a) and (b)	-	-
Deductions	11,403	9,937
Others	65,383	77,407
(B) Total amount of risks	297,599	270,556
$\sqrt{(R_1 + R_2)^2 + (R_3 + R_4)^2} + R_5 + R_6$		
General insurance risk (R ₁)	102,694	102,749
Insurance risk of third sector insurance contracts (R ₂)	-	-
Assumed interest rate risk (R ₃)	10,421	10,243
Asset management risk (R ₄)	169,412	176,838
Business administration risk (R ₅)	7,314	6,802
Catastrophe risk (R ₆)	83,193	50,312
(C) Solvency margin ratio [(A) / {(B)×1/2}] x 100	649.1%	771.6%

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

(Yen in millions)

Items	March 31, 2013	September 30, 2013
(Assets)		
Cash, deposits and savings	3,541	3,050
Investments in securities	33,674	35,633
Tangible fixed assets	308	259
Intangible fixed assets	1,960	1,735
Other assets	6,115	4,994
Bad debt reserve	(3)	(3)
Total assets	45,596	45,669
(Liabilities)		
Policy liabilities:	33,135	32,836
Outstanding claims	13,593	14,108
Underwriting reserves	19,541	18,727
Other liabilities:	1,092	844
Income taxes payable	135	107
Asset retirement obligations	12	12
Other liabilities	945	724
Accrued bonuses for employees	209	145
Reserves under the special laws:	27	29
Reserve for price fluctuation	27	29
Deferred tax liabilities	51	26
Total liabilities	34,516	33,883
(Net assets)		
Shareholders' equity:		
Common stock	32,600	32,600
Capital surplus	2,500	2,500
Retained earnings	(24,286)	(23,527)
Total shareholders' equity	10,813	11,572
Valuation and translation adjustments:		
Net unrealized gains/(losses) on investments in securities	267	214
Total valuation and translation adjustments	267	214
Total net assets	11,080	11,786
Total liabilities and net assets	45,596	45,669

Non-Consolidated Statements of Income

(Yen in millions)

Items	Six months ended September 30, 2012	Six months ended September 30, 2013
Ordinary income:	18,071	18,406
Underwriting income:	17,990	18,335
Net premiums written	17,407	17,513
Investment income on deposit premiums from policyholders	7	7
Reversal of underwriting reserves	576	814
Investment income:	79	66
Interest and dividends income	86	74
Transfer of investment income on deposit premiums from policyholders	(7)	(7)
Other ordinary income	1	3
Ordinary expenses:	17,218	17,619
Underwriting expenses:	13,744	13,967
Net claims paid	12,423	12,151
Loss adjustment expenses	1,155	1,203
Commissions and collection expenses	101	97
Provision for outstanding claims	63	514
Investment expenses	-	-
Operating expenses and general and administrative expenses	3,473	3,650
Other ordinary expenses	0	1
Ordinary profit/(loss)	852	786
Extraordinary income	-	-
Extraordinary losses	3	12
Income/(loss) before income taxes	849	774
Income taxes - current	24	15
Total income taxes	24	15
Net income/(loss)	824	758

Non-Consolidated Solvency Margin Ratio

(Yen in millions)

	March 31, 2013	September 30, 2013
(A) Total amount of solvency margin	12,324	12,459
Total net assets	10,813	11,572
Reserve for price fluctuation	27	29
Contingency reserve	0	0
Catastrophe reserve	1,133	577
General bad debt reserve	0	1
Net unrealized gains/(losses) on investments in securities (prior to tax effect deductions)	349	279
Net unrealized gains/(losses) on land	-	-
Excess of policyholders' contract deposits (a)	-	-
Subordinated debts, etc. (b)	-	-
Amount excluded from the margin, out of (a) and (b)	-	-
Deductions	-	-
Others	-	-
(B) Total amount of risks $\sqrt{(R_1 + R_2)^2 + (R_3 + R_4)^2} + R_5 + R_6$	5,740	5,744
General insurance risk (R ₁)	5,233	5,233
Insurance risk of third sector insurance contracts (R ₂)	-	-
Assumed interest rate risk (R ₃)	0	0
Asset management risk (R ₄)	511	545
Business administration risk (R ₅)	181	182
Catastrophe risk (R ₆)	300	300
(C) Solvency margin ratio [(A) / {(B)×1/2}] x 100	429.4%	433.7%

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

Non-Consolidated Balance Sheets

(Yen in millions)

Items	March 31, 2013	September 30, 2013
(Assets)		
Cash, deposits and savings	23,815	23,248
Call loans	707	190
Receivables under securities borrowing transactions	224,025	189,378
Investments in securities	2,102,671	2,180,943
Loans	47,656	48,614
Tangible fixed assets	2,224	1,889
Intangible fixed assets	3,297	3,553
Due from agencies	274	183
Reinsurance accounts receivable	265	108
Other assets	31,428	31,670
Bad debt reserve	(102)	(86)
Total assets	2,436,264	2,479,692
(Liabilities)		
Policy liabilities:	2,045,655	2,141,280
Outstanding claims	19,423	19,864
Policy reserves	2,019,481	2,114,384
Reserve for dividends to policyholders	6,750	7,031
Due to agencies	5,854	4,546
Reinsurance accounts payable	213	199
Other liabilities:	234,383	195,388
Payables under securities lending transactions	224,733	189,568
Income taxes payable	315	251
Lease obligations	1,010	894
Asset retirement obligations	174	178
Other liabilities	8,149	4,495
Reserve for pension and retirement benefits	1,437	1,464
Reserve for retirement benefits for officers	59	54
Reserves under the special laws:	3,406	3,647
Reserve for price fluctuation	3,406	3,647
Deferred tax liabilities	13,010	9,386
Total liabilities	2,304,020	2,355,968
(Net assets)		
Shareholders' equity:		
Common stock	35,500	35,500
Capital surplus	43,688	43,688
Retained earnings	(15,672)	(12,295)
Total shareholders' equity	63,515	66,892
Valuation and translation adjustments:		
Net unrealized gains/(losses) on investments in securities	68,727	56,831
Total valuation and translation adjustments	68,727	56,831
Total net assets	132,243	123,724
Total liabilities and net assets	2,436,264	2,479,692

Non-Consolidated Statements of Income

(Yen in millions)

Items	Six months ended September 30, 2012	Six months ended September 30, 2013
Ordinary income:	220,917	223,925
Insurance premiums and others:	199,996	202,552
Insurance premiums	199,539	202,407
Investment income:	19,284	20,811
Interest and dividends income	16,781	18,152
Gains on sales of securities	2,502	2,643
Other ordinary income:	1,635	561
Reversal of outstanding claims	21	-
Ordinary expenses:	217,440	215,898
Insurance claims and others:	81,124	81,928
Insurance claims	21,535	21,748
Annuity payments	4,075	4,668
Benefits	5,195	5,660
Surrender benefits	48,817	47,978
Other refunds	1,008	1,244
Provision for policy reserves and others:	96,119	95,344
Provision for outstanding claims	-	441
Provision for policy reserves	96,117	94,902
Provision for interest portion of reserve for dividends to policyholders	1	0
Investment expenses:	1,363	598
Interest expense	141	143
Losses on sales of securities	28	437
Impairment losses on securities	1,177	-
Operating expenses	35,540	34,557
Other ordinary expenses	3,293	3,470
Ordinary profit/(loss)	3,476	8,026
Extraordinary income	0	1
Extraordinary losses	215	258
Provision for reserve for dividends to policyholders	3,000	2,625
Income/(loss) before income taxes	260	5,144
Income taxes - current	129	232
Income taxes - deferred	128	1,616
Total income taxes	257	1,849
Net income/(loss)	3	3,294

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

(1) Policies in force

(Yen in millions)

	March 31, 2013		September 30, 2013	
	Number of policies (in thousands)	Amount	Number of policies (in thousands)	Amount
Individual insurance	2,262	19,317,482	2,315	19,835,644
Individual annuities	183	757,139	186	782,634
Group insurance	—	5,165,629	—	4,982,054
Group annuities	—	429	—	412

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

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

(2) New policies

(Yen in millions)

	Six months ended September 30, 2012				Six months ended September 30, 2013			
	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	154	1,790,698	1,790,698	-	116	1,326,331	1,326,331	-
Individual annuities	7	37,621	37,621	-	6	47,555	47,555	-
Group insurance	—	683,709	683,709	—	—	35,854	35,854	—
Group annuities	—	-	-	—	—	-	-	—

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

Annualized Premiums

(1) Policies in force

(Yen in millions)

	March 31, 2013	September 30, 2013
Individual insurance	274,863	281,224
Individual annuities	42,614	43,803
Total:	317,478	325,027
Medical coverage, living benefits, etc.	55,193	57,225

(2) New policies

(Yen in millions)

	Six months ended September 30, 2012	Six months ended September 30, 2013
Individual insurance	19,417	17,932
Individual annuities	2,080	2,382
Total:	21,497	20,314
Medical coverage, living benefits, etc.	3,209	3,889

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

Non-Consolidated Business Performance

(Yen in millions)

	Six months ended September 30, 2012	Six months ended September 30, 2013	Change
Fundamental revenues:	218,416	221,290	2,873
Insurance premiums and others	199,996	202,552	2,555
Fundamental expenses	215,389	214,834	(554)
Fundamental profit	3,027	6,456	3,428
Capital gains/(losses)	1,295	2,202	907
Non-recurring gains/(losses)	(846)	(632)	213
Ordinary profit/(loss)	3,476	8,026	4,549
Extraordinary income	0	1	1
Extraordinary losses	215	258	43
Provision for reserve for dividends to policyholders	3,000	2,625	(375)
Income taxes	257	1,849	1,591
Net income/(loss)	3	3,294	3,291

Non-Consolidated Solvency Margin Ratio

(Yen in millions)

	March 31, 2013	September 30, 2013
(A) Total amount of solvency margin	267,498	260,044
Total capital	63,515	66,606
Reserve for price fluctuation	3,406	3,647
Contingency reserve	21,800	22,423
General bad debt reserve	39	14
Net unrealized gains/(losses) on investments in securities x 90%	89,295	73,839
Net unrealized gains/(losses) on land x 85%	-	-
Excess of continued Zillmerized reserve (a)	121,422	125,776
Subordinated debts, etc. (b)	-	-
Amount excluded from the margin, out of (a) and (b)	(32,340)	(32,680)
Brought in capital	-	-
Deductions	-	-
Others	359	417
(B) Total amount of risks $\sqrt{(R_1 + R_6)^2 + (R_2 + R_3 + R_7)^2} + R_4$	40,845	41,592
Insurance risk (R ₁)	13,818	13,959
Insurance risk of third sector insurance contracts (R ₆)	4,913	5,300
Assumed interest rate risk (R ₂)	2,922	2,940
Asset management risk (R ₃)	31,567	32,076
Minimum guarantee risk (R ₇)	-	-
Business administration risk (R ₄)	1,596	1,628
(C) Solvency margin ratio [(A) / {(B) x 1/2}] x 100	1,309.8%	1,250.4%

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

Non-Consolidated Balance Sheets

(Yen in millions)

Items	March 31, 2013	September 30, 2013
(Assets)		
Cash, deposits and savings	37,291	23,241
Call loans	30,002	13,580
Money trusts	886,301	877,005
Investments in securities	2,777,814	2,817,842
Loans	529	476
Tangible fixed assets	1,099	992
Intangible fixed assets	4,042	4,167
Reinsurance accounts receivable	90	393
Other assets	5,489	15,782
Deferred tax assets	22,914	24,786
Total assets	3,765,574	3,778,269
(Liabilities)		
Policy liabilities:	3,645,909	3,649,274
Outstanding claims	12,942	9,071
Policy reserves	3,632,967	3,640,203
Due to agencies	2,858	5,364
Reinsurance accounts payable	1,732	2,377
Other liabilities:	20,045	11,304
Income taxes payable	12,829	1,866
Lease obligations	839	744
Asset retirement obligations	123	124
Other liabilities	6,253	8,569
Reserves under the special laws:	23,743	24,259
Reserve for price fluctuation	23,743	24,259
Total liabilities	3,694,290	3,692,580
(Net assets)		
Shareholders' equity:		
Common stock	41,060	41,060
Capital surplus	24,735	24,735
Retained earnings	4,740	19,248
Total shareholders' equity	70,535	85,043
Valuation and translation adjustments:		
Net unrealized gains/(losses) on investments in securities	748	645
Total valuation and translation adjustments	748	645
Total net assets	71,284	85,688
Total liabilities and net assets	3,765,574	3,778,269

Non-Consolidated Statements of Income

(Yen in millions)

Items	Six months ended September 30, 2012	Six months ended September 30, 2013
Ordinary income:	239,832	522,169
Insurance premiums and others:	230,596	318,085
Insurance premiums	226,324	316,206
Investment income:	3,481	198,771
Interest and dividends income	163	942
Investment gains on money trusts	3,318	-
Gains on sales of securities	-	0
Investment gains on separate accounts	-	197,828
Other ordinary income:	5,754	5,312
Reversal of outstanding claims	-	3,870
Reversal of policy reserves	4,772	-
Ordinary expenses:	225,716	499,719
Insurance claims and others:	112,019	434,158
Insurance claims	21,002	26,975
Annuity payments	22,182	26,459
Benefits	30,065	92,173
Surrender benefits	26,376	273,667
Other refunds	555	739
Provision for policy reserves and others:	782	7,235
Provision for outstanding claims	782	-
Provision for policy reserves	-	7,235
Investment expenses:	93,347	32,517
Interest expense	0	0
Investment losses on money trusts	-	31,683
Investment losses on separate accounts	93,040	-
Operating expenses	18,520	23,244
Other ordinary expenses	1,046	2,563
Ordinary profit/(loss)	14,116	22,449
Extraordinary income	-	-
Extraordinary losses	408	516
Income/(loss) before income taxes	13,707	21,933
Income taxes - current	6,753	9,251
Income taxes - deferred	(2,019)	(1,825)
Total income taxes	4,733	7,425
Net income/(loss)	8,973	14,507

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

(1) Policies in force

(Yen in millions)

	March 31, 2013		September 30, 2013	
	Number of policies (in thousands)	Amount	Number of policies (in thousands)	Amount
Individual insurance	67	465,049	100	620,872
Individual annuities	413	3,196,405	384	3,042,567
Group insurance	—	-	—	-
Group annuities	—	-	—	-

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

(2) New policies

(Yen in millions)

	Six months ended September 30, 2012				Six months ended September 30, 2013			
	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	28	147,399	147,399	-	42	227,272	227,272	-
Individual annuities	12	70,186	70,186	-	12	75,013	75,013	-
Group insurance	—	-	-	—	—	-	-	—
Group annuities	—	-	-	—	—	-	-	—

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

Annualized Premiums

(1) Policies in force

(Yen in millions)

	March 31, 2013	September 30, 2013
Individual insurance	31,509	41,420
Individual annuities	402,731	377,020
Total:	434,240	418,440
Medical coverage, living benefits, etc.	104	111

(2) New policies

(Yen in millions)

	Six months ended September 30, 2012	Six months ended September 30, 2013
Individual insurance	9,347	14,900
Individual annuities	49,355	56,266
Total:	58,703	71,167
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." represents the portion of annualized premiums that corresponds to medical coverage benefits (for hospitalization, surgeries, etc.), living benefits (for specified diseases, nursing care, etc.) and premium waiver benefits (excluding those for disability, but including those for specified diseases, nursing care, etc.).

Non-Consolidated Business Performance

(Yen in millions)

	Six months ended September 30, 2012	Six months ended September 30, 2013	Change
Fundamental revenues:	256,779	540,805	284,025
Insurance premiums and others	230,596	318,085	87,488
Fundamental expenses	244,143	510,641	266,498
Fundamental profit	12,635	30,163	17,527
Capital gains/(losses)	4,923	(5,591)	(10,515)
Non-recurring gains/(losses)	(3,443)	(2,121)	1,321
Ordinary profit/(loss)	14,116	22,449	8,333
Extraordinary income	-	-	-
Extraordinary losses	408	516	107
Provision for reserve for dividends to policyholders	-	-	-
Income taxes	4,733	7,425	2,691
Net income/(loss)	8,973	14,507	5,534

Non-Consolidated Solvency Margin Ratio

(Yen in millions)

	March 31, 2013	September 30, 2013
(A) Total amount of solvency margin	267,510	297,595
Total capital	70,535	85,043
Reserve for price fluctuation	23,743	24,259
Contingency reserve	46,722	48,844
General bad debt reserve	-	-
Net unrealized gains/(losses) on investments in securities x 90%	973	839
Net unrealized gains/(losses) on land x 85%	-	-
Excess of continued Zillmerized reserve (a)	123,427	130,050
Subordinated debts, etc. (b)	-	-
Amount excluded from the margin, out of (a) and (b)	-	-
Brought in capital	-	-
Deductions	-	-
Others	2,107	8,559
(B) Total amount of risks $\sqrt{(R_1 + R_8)^2 + (R_2 + R_3 + R_7)^2} + R_4$	60,516	57,305
Insurance risk (R ₁)	53	46
Insurance risk of third sector insurance contracts (R ₈)	16	14
Assumed interest rate risk (R ₂)	15,199	16,555
Asset management risk (R ₃)	22,753	23,722
Minimum guarantee risk (R ₇)	21,375	15,902
Business administration risk (R ₄)	1,187	1,124
(C) Solvency margin ratio [(A) / {(B) x 1/2}] x 100	884.0%	1,038.6%

3. Supplementary Information on Business Results for the Six Months Ended September 30, 2013 for Press Conference

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

1. Basic Information

(Yen in 100 millions)

	Six months ended September 30, 2012 (A)	Year ended March 31, 2013 (B)	Six months ended September 30, 2013 (C)	Increase/(Decrease) (C) - (B)	Increase/(Decrease) (C) - (A)
1 Net premiums written	6,674	13,142	7,007	—	332
Change ratio	3.7%	3.5%	5.0%	1.5%	1.3%
2 Total assets	54,269	59,014	61,766	2,752	7,496
3 Net loss ratio	72.4%	73.3%	63.9%	(9.4)%	(8.5)%
4 Net expense ratio	31.8%	32.4%	31.2%	(1.2)%	(0.6)%
5 Combined ratio	104.2%	105.7%	95.1%	(10.6)%	(9.1)%
Underwriting result ratio	(4.2)%	(5.7)%	4.9%	10.6%	9.1%
6 Voluntary automobile insurance					
Net premiums written	2,960	5,905	3,047	—	87
Change ratio	4.2%	3.4%	2.9%	(0.5)%	(1.3)%
Underwriting result ratio	0.9%	(0.4)%	6.1%	6.5%	5.2%
Net loss ratio	67.7%	68.7%	62.9%	(5.8)%	(4.8)%
Net expense ratio	31.4%	31.7%	31.0%	(0.7)%	(0.4)%
7 Fire and allied insurance					
Net premiums written	919	1,878	1,053	—	134
Change ratio	(2.9)%	2.9%	14.6%	11.7%	17.5%
Underwriting result ratio	(54.6)%	(48.8)%	(9.9)%	38.9%	44.7%
Net loss ratio	113.9%	107.2%	70.5%	(36.7)%	(43.4)%
Net expense ratio	40.7%	41.6%	39.4%	(2.2)%	(1.3)%
8 Number of employees	14,590	14,478	14,391	(87)	(199)
9 Number of agencies	40,661	40,480	40,274	(206)	(387)

(Notes) 1. Net premiums written and ratios are presented exclusive of Good Result Return premiums of the automobile insurance product "ModoRich", which contains a special clause for premium adjustment and refund at maturity.

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

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

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

5. Underwriting result ratio = 100 - combined ratio

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

(Yen in 100 millions)

	Six months ended September 30, 2012 (A)	Year ended March 31, 2013 (B)	Six months ended September 30, 2013 (C)	Increase/(Decrease) (C) - (B)	Increase/(Decrease) (C) - (A)
1 Ordinary income	20,045	43,161	20,704	-	659
2 Net premiums written	13,404	26,394	14,241	-	836
Change ratio	2.7%	3.1%	6.2%	3.1%	3.5%
3 Life insurance premiums	3,378	5,690	1,827	-	(1,551)
Change ratio	64.4%	33.7%	(45.9)%	(79.6)%	(110.3)%
4 Ordinary profit/(loss)	66	1,503	1,630	-	1,564
5 Net income/(loss)	(94)	836	1,095	-	1,190

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

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

2. Other Information

(a) Non-performing assets

Risk-monitored loans

(Yen in 100 millions)

	September 30, 2012	March 31, 2013	September 30, 2013
Loans to borrowers in bankruptcy	1	1	0
Overdue loans	22	22	29
Loans overdue for three months or more	7	7	6
Restructured loans	32	30	29
Total	63	61	64
Ratio to total loans	1.0%	1.1%	1.1%

(Reference) Total loans	6,128	5,760	5,673
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Results of self-assessment of assets

(Yen in 100 millions)

	September 30, 2012	March 31, 2013	September 30, 2013
Non-classified	52,394	57,296	60,173
Category II	1,832	1,672	1,428
Category III	15	17	136
Category IV	653	311	38
Subtotal (Categories II - IV)	2,501	2,002	1,603
Total	54,895	59,298	61,777

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

Amounts written off based on self-assessment of assets are as follows:

For the six months ended September 30, 2012: ¥62.5 billion (excluding impairment losses on fixed assets of ¥0.1 billion during the first quarter)

For the year ended March 31, 2013: ¥28.4 billion (excluding impairment losses on fixed assets of ¥0.1 billion during the fiscal year)

For the six months ended September 30, 2013: ¥1.1 billion (excluding impairment losses on fixed assets of ¥0.2 billion during the first quarter)

(b) Impairment losses on securities

(Yen in 100 millions)

	Six months ended September 30, 2012	Year ended March 31, 2013	Six months ended September 30, 2013
Domestic bonds	6	-	-
Stock	619	212	6
Foreign securities	1	71	4
Other securities	0	0	-
Total	627	283	10

Rules for recognition of impairment

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

Mitsui Sumitomo Insurance Co., Ltd. (Non-consolidated)
(c) Impairment losses on fixed assets (Yen in 100 millions)

	Six months ended September 30, 2012	Year ended March 31, 2013	Six months ended September 30, 2013
Land	0	0	1
Buildings	2	2	1
Others	-	-	-
Total	3	3	2

(d) Unrealized gains and losses on investments in securities (Yen in 100 millions)

	September 30, 2012	March 31, 2013	September 30, 2013
Domestic bonds	699	1,105	823
Stock	4,278	8,576	10,976
Foreign securities	(28)	193	150
Others securities	44	76	65
Total	4,994	9,951	12,014

- (Notes) 1. The above table describes available-for-sale securities with practically determinable fair value.
2. Monetary claims bought are included in "Other securities".

(e) Incurred losses caused by natural disasters in Japan (Yen in 100 millions)

	Six months ended September 30, 2012	Year ended March 31, 2013	Six months ended September 30, 2013
Direct claims paid	177	291	29
Net claims paid	174	284	28
Outstanding claims	105	22	110

- (Notes) 1. The above table represents incurred losses caused by natural disasters in Japan during the period.
Net claims paid including claims in previous years (including claims relating to the Great East Japan Earthquake) are ¥22.4 billion during the six months ended September 30, 2012, ¥38.4 billion during the year ended March 31, 2013 and ¥8.1 billion during the six months ended September 30, 2013.
2. Outstanding claims = provision for outstanding claims - provision for outstanding claims recovered

(f) Catastrophe reserve (Yen in 100 millions)

Lines of insurance	September 30, 2012			March 31, 2013			September 30, 2013		
	Balance	Reserve Ratio	Provision	Balance	Reserve Ratio	Provision	Balance	Reserve Ratio	Provision
Fire and allied	968	53.0%	82	1,110	59.4%	668	1,112	53.0%	95
Marine	657	121.4%	10	667	124.4%	20	681	117.6%	13
Personal accident	678	45.2%	23	650	45.5%	44	649	42.7%	23
Voluntary automobile	94	1.6%	94	189	3.2%	189	101	1.7%	97
Other	1,377	70.4%	46	1,388	76.3%	81	1,430	70.7%	56
Total	3,777	32.2%	258	4,006	34.7%	1,004	3,974	32.3%	286

- (Notes) 1. Reserve ratio = catastrophe reserve / (net premiums written (excluding premiums of residential earthquake insurance and compulsory automobile liability insurance and Good Result Return premiums of the automobile insurance product "ModoRich")) x 100
The calculation for the reserve ratio as of September 30 has been made using twice the net premiums written for the six months ended September 30 as a denominator.
2. Provision = gross provision

(g) Incurred losses caused by flooding in Thailand (Yen in 100 millions)

Six months ended September 30, 2013		Two years and six months ended September 30, 2013	
Incurred losses	Net claims paid	Incurred losses	Net claims paid
(139)	216	2,266	1,861

(Note) Incurred losses = net claims paid + movement in outstanding claims

(h) Reinsurance assumed (Yen in 100 millions)

Lines of insurance	Six months ended September 30, 2012		Six months ended September 30, 2013	
	Net reinsurance assumed premiums written	Net reinsurance assumed claims paid	Net reinsurance assumed premiums written	Net reinsurance assumed claims paid
Fire and allied	151	145	224	201
Marine	59	39	64	44
Personal accident	5	4	4	4
Voluntary automobile	10	7	10	6
Compulsory automobile liability	576	686	634	672
Other	96	36	95	33
Total	899	918	1,033	962

(i) Reinsurance ceded (Yen in 100 millions)

Lines of insurance	Six months ended September 30, 2012		Six months ended September 30, 2013	
	Net reinsurance ceded premiums written	Net reinsurance ceded claims paid	Net reinsurance ceded premiums written	Net reinsurance ceded claims paid
Fire and allied	471	565	516	338
Marine	143	160	168	145
Personal accident	40	23	42	22
Voluntary automobile	21	9	20	8
Compulsory automobile liability	545	651	640	655
Other	150	40	184	99
Total	1,372	1,451	1,573	1,268

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

1. Basic Information

(Yen in 100 millions)

	Six months ended September 30, 2012 (A)	Year ended March 31, 2013 (B)	Six months ended September 30, 2013 (C)	Increase/(Decrease) (C) - (B)	Increase/(Decrease) (C) - (A)
1 Net premiums written	5,560	11,032	5,775	—	214
Change ratio	2.4%	2.7%	3.9%	1.2%	1.5%
2 Total assets	30,252	32,368	32,614	245	2,361
3 Net loss ratio	70.3%	70.4%	62.8%	(7.6)%	(7.5)%
4 Net expense ratio	33.6%	34.1%	33.8%	(0.3)%	0.2%
5 Combined ratio	103.9%	104.5%	96.6%	(7.9)%	(7.3)%
Underwriting result ratio	(3.9)%	(4.5)%	3.4%	7.9%	7.3%
6 Voluntary automobile insurance					
Net premiums written	3,236	6,448	3,318	—	81
Change ratio	2.2%	2.1%	2.5%	0.4%	0.3%
Underwriting result ratio	1.9%	0.0%	5.5%	5.5%	3.6%
Net loss ratio	65.8%	67.1%	62.0%	(5.1)%	(3.8)%
Net expense ratio	32.3%	32.9%	32.5%	(0.4)%	0.2%
7 Fire and allied insurance					
Net premiums written	604	1,263	672	—	68
Change ratio	(1.9)%	5.5%	11.3%	5.8%	13.2%
Underwriting result ratio	(36.4)%	(26.1)%	(4.3)%	21.8%	32.1%
Net loss ratio	90.9%	81.1%	58.6%	(22.5)%	(32.3)%
Net expense ratio	45.5%	45.0%	45.7%	0.7%	0.2%
8 Number of employees	12,981	12,784	13,044	260	63
9 Number of agencies	49,759	49,723	49,923	200	164

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

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

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

4. Underwriting result ratio = 100 - combined ratio

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

Please refer to page 35.

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

2. Other Information

(a) Non-performing assets

Risk-monitored loans

(Yen in 100 millions)

	September 30, 2012	March 31, 2013	September 30, 2013
Loans to borrowers in bankruptcy	0	0	0
Overdue loans	10	10	7
Loans overdue for three months or more	7	4	5
Restructured loans	16	18	19
Total	34	34	32
Ratio to total loans	1.4%	1.4%	1.5%

(Reference) Total loans	2,559	2,466	2,246
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Results of self-assessment of assets

(Yen in 100 millions)

	September 30, 2012	March 31, 2013	September 30, 2013
Non-classified	28,252	31,102	31,626
Category II	279	245	231
Category III	10	10	3
Category IV	400	108	46
Subtotal (Categories II - IV)	691	365	282
Total	28,943	31,467	31,909

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

(b) Impairment losses on securities

(Yen in 100 millions)

	Six months ended September 30, 2012	Year ended March 31, 2013	Six months ended September 30, 2013
Domestic bonds	-	-	-
Stock	382	97	25
Foreign securities	-	0	5
Other securities	3	-	-
Total	386	97	31

Rules for recognition of impairment

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

Aioi Nissay Dowa Insurance Co., Ltd. (Non-consolidated)
(c) Impairment losses on fixed assets (Yen in 100 millions)

	Six months ended September 30, 2012	Year ended March 31, 2013	Six months ended September 30, 2013
Land	3	3	0
Buildings	3	3	0
Others	-	-	-
Total	6	7	0

(d) Unrealized gains and losses on investments in securities (Yen in 100 millions)

	September 30, 2012	March 31, 2013	September 30, 2013
Domestic bonds	252	383	300
Stock	450	1,949	2,494
Foreign securities	(391)	223	159
Others securities	(110)	27	48
Total	200	2,584	3,001

- (Notes) 1. The above table describes available-for-sale securities with practically determinable fair value.
2. Monetary claims bought are included in "Other securities".

(e) Incurred losses caused by natural disasters in Japan (Yen in 100 millions)

	Six months ended September 30, 2012	Year ended March 31, 2013	Six months ended September 30, 2013
Direct claims paid	146	221	23
Net claims paid	144	214	22
Outstanding claims	67	10	68

- (Notes) 1. The above table represents incurred losses caused by natural disasters in Japan during the period.
Net claims paid including claims in previous years (excluding claims relating to the Great East Japan Earthquake) are ¥15.9 billion during the six months ended September 30, 2012, ¥23.2 billion during the year ended March 31, 2013 and ¥3.3 billion during the six months ended September 30, 2013.
2. Outstanding claims = provision for outstanding claims - provision for outstanding claims recovered

(f) Catastrophe reserve (Yen in 100 millions)

Lines of insurance	September 30, 2012			March 31, 2013			September 30, 2013		
	Balance	Reserve Ratio	Provision	Balance	Reserve Ratio	Provision	Balance	Reserve Ratio	Provision
Fire and allied	1,148	95.6%	36	1,096	87.3%	101	1,121	83.7%	53
Marine	129	136.1%	1	133	139.1%	3	135	120.9%	2
Personal accident	555	73.4%	11	566	78.7%	22	578	75.8%	12
Voluntary automobile	104	1.6%	104	207	3.2%	207	107	1.6%	107
Other	520	50.1%	23	496	50.8%	42	521	48.2%	28
Total	2,458	25.7%	177	2,500	26.3%	377	2,464	24.8%	203

- (Notes) 1. Reserve ratio = catastrophe reserve / (net premiums written (excluding premiums of residential earthquake insurance and compulsory automobile liability insurance)) x 100
The calculation for the reserve ratio as of September 30 has been made using twice the net premiums written for the six months ended September 30 as a denominator.
2. Provision = gross provision

(g) Incurred losses caused by flooding in Thailand (Yen in 100 millions)

Six months ended September 30, 2013		Two years and six months ended September 30, 2013	
Incurred losses	Net claims paid	Incurred losses	Net claims paid
(17)	25	225	198

(Note) Incurred losses = net claims paid + movement in outstanding claims

(h) Reinsurance assumed (Yen in 100 millions)

Lines of insurance	Six months ended September 30, 2012		Six months ended September 30, 2013	
	Net reinsurance assumed premiums written	Net reinsurance assumed claims paid	Net reinsurance assumed premiums written	Net reinsurance assumed claims paid
Fire and allied	95	81	132	88
Marine	15	6	22	13
Personal accident	10	4	10	5
Voluntary automobile	94	62	107	75
Compulsory automobile liability	531	647	575	629
Other	42	45	81	54
Total	788	847	929	867

(i) Reinsurance ceded (Yen in 100 millions)

Lines of insurance	Six months ended September 30, 2012		Six months ended September 30, 2013	
	Net reinsurance ceded premiums written	Net reinsurance ceded claims paid	Net reinsurance ceded premiums written	Net reinsurance ceded claims paid
Fire and allied	378	139	439	66
Marine	15	12	16	12
Personal accident	27	11	26	11
Voluntary automobile	23	7	20	4
Compulsory automobile liability	585	714	681	721
Other	202	88	194	103
Total	1,232	974	1,379	919