

[Attachment]

Explanatory Material for Business Results for the Year Ended March 31, 2020

May 20, 2020

MS&AD Insurance Group Holdings, Inc.

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

Contents

	Page
1. Summary of Consolidated Business Results	1
(1) Consolidated Business Results	1
(2) Business Results of Domestic Non-Life Insurance Subsidiaries (Simple Sum of Two Main Consolidated Subsidiaries)	2
(3) Business Results of Domestic Life Insurance Subsidiaries	3
(4) Business Results of Overseas Insurance Subsidiaries	4
2. Non-Consolidated Business Results of Mitsui Sumitomo Insurance Co., Ltd.	5
3. Non-Consolidated Business Results of Aioi Nissay Dowa Insurance Co., Ltd.	10
4. Earnings Forecasts	
(1) Consolidated Business Results	15
(2) Domestic Non-Life Insurance Subsidiaries (Two Main Consolidated Subsidiaries)	16
[Supplementary Information]	
1. Supplementary Information on Consolidated Business Results	17
(1) Consolidated Business Results	
(2) Premiums Written and Net Claims Paid by Line of Insurance	
(3) Investments in Securities	
2. Summary of Business Results of Main Consolidated Subsidiaries	20
(1) Mitsui Sumitomo Insurance Co., Ltd. (Non-consolidated)	
(2) Aioi Nissay Dowa Insurance Co., Ltd. (Non-consolidated)	
(3) Mitsui Direct General Insurance Co., Ltd. (Non-consolidated)	
(4) Mitsui Sumitomo Aioi Life Insurance Co., Ltd. (Non-consolidated)	
(5) Mitsui Sumitomo Primary Life Insurance Co., Ltd. (Non-consolidated)	
3. Supplementary Information on Business Results for the Year Ended March 31, 2020 for Press Conference	40
(1) Mitsui Sumitomo Insurance Co., Ltd. (Non-consolidated)	
(2) Aioi Nissay Dowa Insurance Co., Ltd. (Non-consolidated)	
(Reference)	
1. Main impact on the current earnings from stock markets plunge caused by the COVID-19 pandemic	46
2. Temporary impact on the current earnings from reorganization of international business ..	46

1. Summary of Consolidated Business Results

(1) Consolidated Business Results

(Yen in 100 millions)

	Items	Year ended March 31, 2019	Year ended March 31, 2020	Change	Change ratio
Net premiums written (non-life insurance) ^(Note 1)	1	35,004	35,737	733	2.1
Mitsui Sumitomo Insurance ^(Note 1)	2	15,124	15,479	354	2.3
Aioi Nissay Dowa Insurance	3	12,335	12,767	431	3.5
Simple sum	4	27,460	28,247	786	2.9
Mitsui Direct General Insurance	5	366	363	(2)	(0.8)
Overseas insurance subsidiaries	6	7,146	7,119	(27)	(0.4)
Insurance premiums (domestic life insurance)	7	15,999	13,934	(2,065)	(12.9)
Mitsui Sumitomo Aioi Life Insurance	8	5,042	5,212	170	3.4
Mitsui Sumitomo Primary Life Insurance	9	10,956	8,721	(2,235)	(20.4)
Ordinary profit	10	2,908	1,577	(1,331)	(45.8)
Net income attributable to owners of the parent	11	1,927	1,430	(496)	(25.8)
Mitsui Sumitomo Insurance	12	1,711	940	(770)	(45.0)
Aioi Nissay Dowa Insurance	13	373	447	74	20.0
Simple sum	14	2,084	1,388	(695)	(33.4)
Mitsui Direct General Insurance	15	2	1	(0)	(36.1)
Mitsui Sumitomo Aioi Life Insurance	16	79	75	(4)	(5.9)
Mitsui Sumitomo Primary Life Insurance	17	233	203	(29)	(12.8)
Overseas insurance subsidiaries	18	193	361	167	86.5
Others, consolidation adjustments, etc.	19	(665)	(599)	66	-
One-time amortization of goodwill related to an affiliate	20		(366)		
Provision for losses on sales of shares of subsidiaries and associates	21		(169)		

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

2. Items 12 to 18 represent the net income or loss on a non-consolidated basis after taking into account the Company's ownership interests in its subsidiaries.

(Supplement) Incurred Losses Caused by Natural Disasters in Japan, Excluding Residential Earthquake Insurance, of Two Main Consolidated Domestic Non-Life Insurance Subsidiaries

(Yen in 100 millions)

	Items	Year ended March 31, 2019	Year ended March 31, 2020	Change
Total	22	2,108	1,305	(803)
Mitsui Sumitomo Insurance	23	1,089	711	(378)
Aioi Nissay Dowa Insurance	24	1,018	594	(424)

(2) Business Results of Domestic Non-Life Insurance Subsidiaries (Simple Sum of Two Main Consolidated Subsidiaries)

The figures in the table below are presented as followings.

- Simple sum of Mitsui Sumitomo Insurance Co., Ltd. and Aioi Nissay Dowa Insurance Co., Ltd..
- 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.

(Yen in 100 millions)

	Items	Year ended March 31, 2019	Year ended March 31, 2020	Change	Change ratio
(+)	Net premiums written	27,460	28,247	786	2.9
(-)	Net claims paid	16,815	16,133	(682)	(4.1)
(-)	Loss adjustment expenses	1,560	1,573	13	0.8
(-)	Commissions and collection expenses	5,038	5,301	262	5.2
(-)	Operating expenses and general and administrative expenses for underwriting	3,898	4,056	157	4.0
	Underwriting profit before movements in reserves	147	1,182	1,035	703.4
(-)	Movement in outstanding claims	213	(224)	(437)	(205.3)
(-)	Movement in ordinary underwriting reserves	275	1,068	792	287.1
(+)	Other	172	80	(92)	(53.5)
	Underwriting profit/(loss) before movement in catastrophe reserve	(169)	418	587	-
(-)	Movement in catastrophe reserve	(798)	333	1,132	-
	Underwriting profit	628	84	(544)	(86.5)
(+)	Interest and dividends income	1,700	1,613	(87)	(5.1)
(-)	Transfer of investment income on deposit premiums from policyholders	487	452	(35)	(7.3)
	Net interest and dividends income (item 13 - item 14)	1,212	1,160	(52)	(4.3)
(+)	Gains/(losses) on sales of securities	1,331	859	(471)	(35.4)
(-)	Impairment losses on securities	61	319	257	420.5
(+)	Other	(193)	(208)	(15)	-
	Investment profit	2,289	1,492	(797)	(34.8)
(+)	Other ordinary profit/(loss)	(39)	(99)	(60)	-
	Ordinary profit	2,878	1,477	(1,401)	(48.7)
(+)	Extraordinary income/(losses):	(168)	(1,463)	(1,294)	-
	Gains/(losses) on reserve for price fluctuation	(158)	402	561	-
	Losses on valuation of shares of subsidiaries and associates	-	(1,863)	(1,863)	-
	Income before income taxes	2,709	13	(2,696)	(99.5)
(-)	Income taxes	625	(1,374)	(2,000)	(319.7)
	Net income	2,084	1,388	(695)	(33.4)

Ratios	Net loss ratio	Note 1	28	66.9 %	62.7 %	(4.2) %
	Net expense ratio	Note 2	29	32.5 %	33.1 %	0.6 %
	Combined ratio	Note 3	30	99.4 %	95.8 %	(3.6) %

Incurred losses (including loss adjustment expenses)	Note 4, 5	31	15,901	14,991	(909)	(5.7)
	EI loss ratio	Note 4, 6	32	66.5 %	61.7 %	(4.8) %

- (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
4. The calculation is exclusive of residential earthquake insurance and CALI*.
* CALI stands for compulsory automobile liability insurance, and the same hereinafter.
5. Incurred losses (including loss adjustment expenses) = net claims paid + loss adjustment expenses + movement in outstanding claims
6. EI loss ratio = incurred losses (including loss adjustment expenses) / earned premiums x 100
Earned premiums are calculated based on unearned premiums (excluding underwriting reserves for natural disasters), premium reserve, etc.

(3) Business Results of Domestic Life Insurance Subsidiaries

1. Mitsui Sumitomo Aioi Life Insurance Co., Ltd.

(Yen in 100 millions)

	Items	Year ended March 31, 2019	Year ended March 31, 2020	Change	Change ratio
Amount of new policies ^(Note)	1	31,145	20,684	(10,460)	(33.6) %
Annualized premiums of new policies	2	511	293	(217)	(42.6) %
Amount of policies in force ^(Note)	3	245,331	244,580	(751)	(0.3) %
Annualized premiums for policies in force	4	4,315	4,481	166	3.8 %
Insurance premiums	5	5,042	5,212	170	3.4 %
Ordinary profit	6	195	186	(8)	(4.4) %
Extraordinary income/(losses)	7	(11)	(9)	1	-
Net income	8	79	75	(4)	(5.9) %

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

2. Mitsui Sumitomo Primary Life Insurance Co., Ltd.

(Yen in 100 millions)

	Items	Year ended March 31, 2019	Year ended March 31, 2020	Change	Change ratio
Amount of new policies ^(Note)	1	11,182	8,827	(2,355)	(21.1) %
Amount of policies in force ^(Note)	2	66,785	65,140	(1,644)	(2.5) %
Insurance premiums	3	10,956	8,721	(2,235)	(20.4) %
Ordinary profit	4	355	314	(41)	(11.6) %
Extraordinary income/(losses)	5	(35)	(35)	-	- %
Net income	6	233	203	(29)	(12.8) %

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

(4) Business Results of Overseas Insurance Subsidiaries

(Yen in 100 millions)

	Items	Year ended March 31, 2019	Year ended March 31, 2020	Change	Change ratio %
Net premiums written	1	7,146	7,119	(27)	(0.4)
Asia	2	1,840	1,796	(43)	(2.4)
Europe:	3	4,860	4,879	19	0.4
MS Amlin	4	4,477	4,491	13	0.3
Americas	5	445	442	(3)	(0.7)
Net income attributable to owners of the parent	6	193	361	167	86.5
Asia	7	261	178	(82)	(31.6)
Europe:	8	(190)	48	238	-
MS Amlin	9	(137)	76	214	-
Americas	10	40	29	(10)	(26.3)
International life insurance	11	82	104	22	27.3

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

The figures in the tables below are presented as 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 Results

(Yen in 100 millions)

	Items	Year ended March 31, 2019	Year ended March 31, 2020	Change	Change ratio %
(+)	Net premiums written	15,124	15,479	354	2.3
(-)	Net claims paid	9,109	8,886	(223)	(2.4)
(-)	Loss adjustment expenses	896	906	10	1.1
(-)	Commissions and collection expenses	2,654	2,783	129	4.9
(-)	Operating expenses and general and administrative expenses for underwriting	2,111	2,163	51	2.4
	Underwriting profit before movements in reserves	352	739	386	109.9
(-)	Movement in outstanding claims	24	(135)	(160)	(656.2)
(-)	Movement in ordinary underwriting reserves	140	631	490	349.4
(+)	Other	63	52	(11)	(17.7)
	Underwriting profit before movement in catastrophe reserve	250	296	45	18.1
(-)	Movement in catastrophe reserve	(222)	222	445	-
	Underwriting profit	473	73	(399)	(84.5)
(+)	Interest and dividends income	1,139	1,019	(119)	(10.5)
(-)	Transfer of investment income on deposit premiums from policyholders	322	301	(21)	(6.6)
	Net interest and dividends income (item 13 - item 14)	816	718	(98)	(12.1)
(+)	Gains/(losses) on sales of securities	1,160	538	(622)	(53.6)
(-)	Impairment losses on securities	40	208	168	415.2
(+)	Other	(77)	(108)	(31)	-
	Investment profit	1,859	939	(920)	(49.5)
(+)	Other ordinary profit/(loss)	(67)	(121)	(53)	-
	Ordinary profit	2,264	891	(1,373)	(60.7)
(+)	Extraordinary income/(losses):	(31)	(1,281)	(1,249)	-
	Gains/(losses) on reserve for price fluctuation	(41)	569	611	-
	Losses on valuation of shares of subsidiaries and associates	-	(1,863)	(1,863)	-
	Income/(losses) before income taxes	2,233	(389)	(2,623)	(117.5)
(-)	Income taxes	522	(1,330)	(1,853)	(354.6)
	Net income	1,711	940	(770)	(45.0)

Ratios	Net loss ratio	Note 1	28	66.2 %	63.3 %	(2.9) %	
	Net expense ratio	Note 2	29	31.5 %	32.0 %	0.5 %	
	Combined ratio	Note 3	30	97.7 %	95.3 %	(2.4) %	
	Interest and dividends income yield		31	2.18 %	1.94 %	(0.24) %	
	Investment profit yield	Note 4	32	4.34 %	2.53 %	(1.81) %	

Incurred losses (including loss adjustment expenses)	Note 5, 6	33	8,571	8,301	(270)	(3.2)
EI loss ratio	Note 5, 7	34	64.6 %	61.8 %	(2.8) %	

- (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
4. Total investment yield (including unrealized gains and losses): 0.48% for the year ended March 31, 2019, and (2.36)% for the year ended March 31, 2020
5. The calculation is exclusive of residential earthquake insurance and CALI.
6. Incurred losses (including loss adjustment expenses) = net claims paid + loss adjustment expenses + movement in outstanding claims
7. EI loss ratio = incurred losses (including loss adjustment expenses) / earned premiums x 100
Earned premiums are calculated based on unearned premiums (excluding underwriting reserves for natural disasters), premium reserve, etc.

(2) Premiums written

(Yen in 100 millions)

	Net premiums written				Direct premiums written (excluding deposit premiums from policyholders)			
	Year ended March 31, 2019		Year ended March 31, 2020		Year ended March 31, 2019		Year ended March 31, 2020	
	Amount	Change ratio %	Amount	Change ratio %	Amount	Change ratio %	Amount	Change ratio %
Fire and allied	1,988	1.1	2,060	3.6	2,953	9.3	3,244	9.8
Marine	622	3.0	619	(0.6)	828	3.1	847	2.3
Personal accident	1,513	2.5	1,466	(3.1)	1,608	2.2	1,570	(2.3)
Voluntary automobile	6,570	(0.3)	6,703	2.0	6,637	(0.1)	6,763	1.9
CALI	1,780	(3.5)	1,838	3.2	1,696	0.9	1,692	(0.2)
Other	2,648	5.2	2,790	5.4	3,082	4.9	3,281	6.4
Total	15,124	0.8	15,479	2.3	16,807	2.9	17,400	3.5

(3) Net claims paid

(Yen in 100 millions)

	Year ended March 31, 2019			Year ended March 31, 2020			
	Amount	Change ratio %	Net loss ratio %	Amount	Change ratio %	Net loss ratio %	Change %
Fire and allied	2,030	49.3	104.9	1,607	(20.8)	80.8	(24.1)
Marine	322	(10.6)	54.5	360	11.7	60.9	6.4
Personal accident	713	3.0	51.5	709	(0.6)	53.0	1.5
Voluntary automobile	3,428	2.5	60.8	3,474	1.3	60.4	(0.4)
CALI	1,329	(1.6)	82.0	1,256	(5.5)	75.2	(6.8)
Other	1,285	2.5	50.9	1,477	15.0	55.3	4.4
Total	9,109	8.9	66.2	8,886	(2.4)	63.3	(2.9)

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

(Reference) Incurred losses caused by natural disasters in Japan

(Yen in 100 millions)

	Year ended March 31, 2019			Year ended March 31, 2020		
	Incurred losses	Net claims paid	Outstanding claims	Incurred losses	Net claims paid	Outstanding claims
Fire and allied	932	829	102	585	537	47
Voluntary automobile	54	57	(3)	48	59	(11)
Other	103	78	25	77	46	30
Total	1,089	965	124	711	643	67

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

(4) Expenses

(Yen in 100 millions)

<Company expenses>

	Items	Year ended March 31, 2019			Year ended March 31, 2020		
		Amount	Change	Change ratio %	Amount	Change	Change ratio %
Personnel expenses	1	1,673	(13)	(0.8)	1,648	(25)	(1.5)
Non-personnel expenses	2	1,331	42	3.3	1,422	91	6.9
Taxes and contributions	3	124	0	0.8	128	4	3.6
Total	4	3,129	30	1.0	3,199	70	2.2

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

<Expenses for underwriting>

(Yen in 100 millions)

	Items	Year ended March 31, 2019			Year ended March 31, 2020		
		Amount	Change	Change ratio %	Amount	Change	Change ratio %
Operating expenses and general and administrative expenses	5	2,111	2	0.1	2,163	51	2.4
Commissions and collection expenses	6	2,654	62	2.4	2,783	129	4.9
Total	7	4,766	65	1.4	4,946	180	3.8
Net expense ratio	8	31.5 %	0.2 %		32.0 %	0.5 %	

(5) Outstanding claims

(Yen in 100 millions)

	March 31, 2019		March 31, 2020	
	Balance	Movement	Balance	Movement
Marine	302	10	297	(5)
Personal accident	449	(13)	442	11
Voluntary automobile	2,506	(84)	2,418	(91)
CALI	473	(32)	447	(25)
Other	1,612	30	1,767	153
Total	6,441	24	6,292	(135)

(Note) Movement for the year ended March 31, 2020 is not consistent with the change from the balance on March 31, 2019 mainly due to the effect of transfer long-term third sector insurance contracts to Mitsui Sumitomo Aioi Life Insurance Co., Ltd.

(6) Incurred losses (including loss adjustment expenses) and EI loss ratio

(Yen in 100 millions)

	Year ended March 31, 2019		Year ended March 31, 2020			
	Incurred losses (including loss adjustment expenses)	EI loss ratio	Incurred losses (including loss adjustment expenses)	Change	EI loss ratio	Change
		%			%	%
Fire and allied	2,168	109.1	1,486	(681)	77.0	(32.1)
Marine	349	56.3	371	21	59.8	3.5
Personal accident	765	51.5	788	22	53.2	1.7
Voluntary automobile	3,910	59.5	3,957	46	59.4	(0.1)
Other	1,377	52.9	1,697	319	62.1	9.2
Total	8,571	64.6	8,301	(270)	61.8	(2.8)

(Notes) 1. The calculation is exclusive of residential earthquake insurance and CALI.

2. Incurred losses (including loss adjustment expenses) = net claims paid + loss adjustment expenses + movement in outstanding claims

3. EI loss ratio = incurred losses (including loss adjustment expenses) / earned premiums x 100

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

(7) Underwriting reserves

(Yen in 100 millions)

		March 31, 2020				
		Total underwriting reserves	Ordinary underwriting reserves	Reserve for refunds and dividends to policyholders	Catastrophe reserve	Contingency reserve
Fire and allied	Balance	8,126	6,570	557	998	-
	Movement	88	311	(330)	108	(0)
Marine	Balance	1,090	276	-	813	-
	Movement	14	14	-	0	-
Personal accident	Balance	10,544	522	9,273	748	-
	Movement	(505)	(2)	(478)	(23)	(0)
Voluntary automobile	Balance	3,022	2,044	-	978	-
	Movement	151	44	-	107	(0)
CALI	Balance	2,809	2,809	-	-	-
	Movement	211	211	-	-	-
Other	Balance	5,267	2,794	565	1,907	-
	Movement	71	52	(10)	29	(0)
Total	Balance	30,860	15,016	10,396	5,446	-
	Movement	33	631	(819)	(222)	(0)

(Notes) 1. Reserves for residential earthquake insurance and CALI are included in ordinary underwriting reserves.

2. Movement of Ordinary underwriting reserves, Reserve for refunds and dividends to policyholders, and Total underwriting reserves for the year ended March 31, 2020 is not consistent with the change from the balance on March 31, 2019 mainly due to the effect of transfer the long-term third sector insurance contracts to Mitsui Sumitomo Aioi Life Insurance Co., Ltd.

(8) Catastrophe reserve

(Yen in 100 millions)

	March 31, 2019		March 31, 2020			
	Balance	Reserve ratio	Reversal	Provision	Balance	Reserve ratio
		%				%
Fire and allied	890	44.9	524	632	998	48.6
Marine	813	130.6	14	15	813	131.4
Personal accident	771	51.0	69	46	748	51.0
Voluntary automobile	871	13.3	107	214	978	14.6
Other	1,878	70.9	76	106	1,907	68.4
Total	5,224	39.2	793	1,015	5,446	39.9

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

(9) Investment assets

(Yen in 100 millions)

	March 31, 2019	March 31, 2020	
			Change
Cash, deposits and savings	4,759	5,009	249
Investments in securities:	53,998	49,255	(4,743)
Domestic bonds	16,230	15,342	(887)
Domestic stocks	17,288	14,339	(2,949)
Foreign securities	20,034	18,948	(1,086)
Other securities	444	624	179
Loans	3,962	4,006	43
Land and buildings	1,937	1,900	(37)
Total	64,659	60,171	(4,488)

(Reference)

Long-term investment assets	11,213	10,394	(819)
-----------------------------	--------	--------	-------

(Reference) Breakdown of domestic bonds

(Yen in 100 millions)

	March 31, 2019	March 31, 2020	
			Change
Government bonds	9,798	8,744	(1,054)
Municipal bonds	874	924	49
Corporate bonds:	5,556	5,674	117
Government agency bonds	941	902	(39)
Specific financial institution bonds	-	7	7
Other corporate bonds	4,615	4,764	148
Total	16,230	15,342	(887)

(10) Breakdown of interest and dividends income

(Yen in 100 millions)

	Year ended March 31, 2019	Year ended March 31, 2020	
			Change
Investments in securities:	1,027	913	(113)
Domestic bonds	176	163	(13)
Domestic stocks	479	452	(27)
Foreign securities	325	262	(63)
Other securities	45	36	(9)
Loans	34	29	(4)
Land and buildings	65	64	(0)
Other	12	11	(1)
Total	1,139	1,019	(119)

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

(Yen in 100 millions)

March 31, 2020	Cost	Fair value	Difference	Change from
				March 31, 2019
Domestic bonds	13,999	15,342	1,343	(220)
Domestic stocks	5,836	13,945	8,108	(2,445)
Foreign securities	4,587	4,622	35	(86)
Other securities	345	336	(8)	(36)
Total	24,768	34,246	9,478	(2,789)

(Yen in 100 millions)

March 31, 2019	Cost	Fair value	Difference
Domestic bonds	14,666	16,230	1,563
Domestic stocks	6,338	16,893	10,554
Foreign securities	5,388	5,510	121
Other securities	267	295	28
Total	26,662	38,929	12,267

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

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

Gains and losses on sales of securities

(Yen in 100 millions)

	Year ended March 31, 2019 Gains/(losses)	Year ended		
		March 31, 2020 Gains/(losses)	Gains	Losses
Domestic bonds	35	48	48	0
Domestic stocks	1,090	360	386	26
Foreign securities	35	120	138	17
Other securities	-	9	9	0
Total	1,160	538	582	43

Impairment losses on securities

(Yen in 100 millions)

	Year ended March 31, 2019	Year ended	Change
		March 31, 2020	
Domestic bonds	-	-	-
Domestic stocks	39	175	136
Foreign securities	1	33	32
Other securities	-	-	-
Total	40	208	168

(Note) Apart from the above, Losses on valuation of shares of subsidiaries and associates of ¥186.3 billion was recorded under Extraordinary losses.

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

(1) Business Results

(Yen in 100 millions)

	Items	Year ended March 31, 2019	Year ended March 31, 2020	Change	Change ratio
(+)	Net premiums written	12,335	12,767	431	3.5 %
(-)	Net claims paid	7,705	7,246	(459)	(6.0)
(-)	Loss adjustment expenses	663	666	2	0.4
(-)	Commissions and collection expenses	2,383	2,517	133	5.6
(-)	Operating expenses and general and administrative expenses for underwriting	1,787	1,893	106	5.9
	Underwriting profit/(loss) before movements in reserves	(204)	443	648	-
(-)	Movement in outstanding claims	188	(88)	(277)	(146.9)
(-)	Movement in ordinary underwriting reserves	135	437	301	222.6
(+)	Other	108	27	(80)	(74.5)
	Underwriting profit/(loss) before movement in catastrophe reserve	(420)	122	542	-
(-)	Movement in catastrophe reserve	(575)	110	686	-
	Underwriting profit	155	11	(144)	(92.8)
(+)	Interest and dividends income	561	593	32	5.8
(-)	Transfer of investment income on deposit premiums from policyholders	165	151	(14)	(8.5)
	Net interest and dividends income (item 13 - item 14)	396	442	46	11.8
(+)	Gains/(losses) on sales of securities	170	320	150	88.5
(-)	Impairment losses on securities	20	110	89	430.8
(+)	Other	(115)	(100)	15	-
	Investment profit	430	553	123	28.6
(+)	Other ordinary profit/(loss)	28	21	(6)	(22.8)
	Ordinary profit	613	586	(27)	(4.5)
(+)	Extraordinary income/(losses):	(137)	(182)	(44)	-
	Gains/(losses) on reserve for price fluctuation	(116)	(167)	(50)	-
	Income before income taxes	476	403	(72)	(15.2)
(-)	Income taxes	103	(44)	(147)	(142.9)
	Net income	373	447	74	20.0

Ratios	Net loss ratio	Note 1	27	67.8 %	62.0 %	(5.8) %	
	Net expense ratio	Note 2	28	33.8 %	34.5 %	0.7 %	
	Combined ratio	Note 3	29	101.6 %	96.5 %	(5.1) %	
	Interest and dividends income yield		30	2.22 %	2.36 %	0.14 %	
	Investment profit yield	Note 4	31	2.60 %	3.06 %	0.46 %	

Incurred losses (including loss adjustment expenses)	Note 5, 6	32	7,329	6,690	(639)	(8.7)
EI loss ratio	Note 5, 7	33	68.9 %	61.6 %	(7.3) %	

- (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
4. Total investment yield (including unrealized gains and losses): (0.22)% for the year ended March 31, 2019, and (1.87)% for the year ended March 31, 2020
5. The calculation is exclusive of residential earthquake insurance and CALI.
6. Incurred losses (including loss adjustment expenses) = net claims paid + loss adjustment expenses + movement in outstanding claims
7. EI loss ratio = incurred losses (including loss adjustment expenses) / earned premiums x 100
Earned premiums are calculated based on unearned premiums (excluding underwriting reserves for natural disasters), premium reserve, etc.

(2) Premiums written

(Yen in 100 millions)

	Net premiums written				Direct premiums written (excluding deposit premiums from policyholders)			
	Year ended March 31, 2019		Year ended March 31, 2020		Year ended March 31, 2019		Year ended March 31, 2020	
	Amount	Change ratio %	Amount	Change ratio %	Amount	Change ratio %	Amount	Change ratio %
Fire and allied	1,838	5.4	1,992	8.4	2,168	10.2	2,451	13.0
Marine	81	8.8	72	(10.8)	0	-	0	1,611.5
Personal accident	639	4.3	569	(11.0)	667	2.5	609	(8.7)
Voluntary automobile	6,850	0.1	7,130	4.1	6,605	(0.1)	6,759	2.3
CALI	1,592	(4.7)	1,628	2.3	1,765	0.7	1,784	1.1
Other	1,332	4.4	1,374	3.2	1,487	3.5	1,531	2.9
Total	12,335	0.9	12,767	3.5	12,695	2.2	13,137	3.5

(3) Net claims paid

(Yen in 100 millions)

	Year ended March 31, 2019			Year ended March 31, 2020			
	Amount	Change ratio %	Net loss ratio %	Amount	Change ratio %	Net loss ratio %	Change %
Fire and allied	1,902	89.7	106.5	1,422	(25.2)	73.8	(32.7)
Marine	46	29.5	57.1	49	7.0	68.7	11.6
Personal accident	270	1.4	48.1	258	(4.5)	51.2	3.1
Voluntary automobile	3,704	4.2	60.3	3,785	2.2	59.4	(0.9)
CALI	1,143	(2.6)	77.7	1,070	(6.4)	71.4	(6.3)
Other	639	11.9	51.5	660	3.2	50.9	(0.6)
Total	7,705	16.6	67.8	7,246	(6.0)	62.0	(5.8)

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

(Reference) Incurred losses caused by natural disasters in Japan

(Yen in 100 millions)

	Year ended March 31, 2019			Year ended March 31, 2020		
	Incurred losses	Net claims paid	Outstanding claims	Incurred losses	Net claims paid	Outstanding claims
Fire and allied	908	857	51	496	464	31
Voluntary automobile	71	74	(2)	57	68	(10)
Other	38	24	13	40	20	20
Total	1,018	956	62	594	553	40

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

(4) Expenses

<Company expenses>

(Yen in 100 millions)

	Items	Year ended March 31, 2019			Year ended March 31, 2020		
		Amount	Change	Change ratio %	Amount	Change	Change ratio %
Personnel expenses	1	1,262	(18)	(1.5)	1,272	10	0.8
Non-personnel expenses	2	1,178	112	10.6	1,267	89	7.6
Taxes and contributions	3	109	(0)	(0.3)	115	5	5.3
Total	4	2,549	93	3.8	2,656	106	4.2

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

<Expenses for underwriting>

(Yen in 100 millions)

	Items	Year ended March 31, 2019			Year ended March 31, 2020		
		Amount	Change	Change ratio %	Amount	Change	Change ratio %
Operating expenses and general and administrative expenses	5	1,787	60	3.5	1,893	106	5.9
Commissions and collection expenses	6	2,383	34	1.5	2,517	133	5.6
Total	7	4,171	94	2.3	4,411	240	5.8
Net expense ratio	8	33.8 %	0.4 %		34.5 %	0.7 %	

(5) Outstanding claims

(Yen in 100 millions)

	March 31, 2019		March 31, 2020	
	Balance	Movement	Balance	Movement
Fire and allied	1,104	121	1,034	(14)
Marine	85	30	65	(13)
Personal accident	252	3	244	12
Voluntary automobile	2,976	(31)	2,841	(130)
CALI	412	(31)	384	(28)
Other	1,087	96	1,074	86
Total	5,918	188	5,644	(88)

(Note) Movement for the year ended March 31, 2020 is not consistent with the change from the balance on March 31, 2019 mainly due to the effect of transfer long-term third sector insurance contracts to Mitsui Sumitomo Aioi Life Insurance Co., Ltd.

(6) Incurred losses (including loss adjustment expenses) and EI loss ratio

(Yen in 100 millions)

	Year ended March 31, 2019		Year ended March 31, 2020			
	Incurring losses (including loss adjustment expenses)	EI loss ratio	Incurring losses (including loss adjustment expenses)	Change	EI loss ratio	Change
		%			%	%
Fire and allied	2,057	115.0	1,456	(601)	79.8	(35.2)
Marine	77	97.2	36	(40)	48.1	(49.1)
Personal accident	310	50.5	303	(7)	53.9	3.4
Voluntary automobile	4,101	59.9	4,107	6	58.2	(1.7)
Other	783	59.8	786	3	58.9	(0.9)
Total	7,329	68.9	6,690	(639)	61.6	(7.3)

(Notes) 1. The calculation is exclusive of residential earthquake insurance and CALI.

2. Incurred losses (including loss adjustment expenses) = net claims paid + loss adjustment expenses + movement in outstanding claims

3. EI loss ratio = incurred losses (including loss adjustment expenses) / earned premiums x 100

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

(7) Underwriting reserves

(Yen in 100 millions)

		March 31, 2020				
		Total underwriting reserves	Ordinary underwriting reserves	Reserve for refunds and dividends to policyholders	Catastrophe reserve	Contingency reserve
Fire and allied	Balance	6,550	5,273	414	858	3
	Movement	201	202	(109)	108	0
Marine	Balance	131	32	-	98	-
	Movement	(37)	1	-	(38)	-
Personal accident	Balance	3,908	227	3,014	662	4
	Movement	(236)	5	(213)	(29)	0
Voluntary automobile	Balance	2,603	1,996	35	571	0
	Movement	114	73	2	38	0
CALI	Balance	2,578	2,578	-	-	-
	Movement	129	129	-	-	-
Other	Balance	2,252	1,332	150	768	0
	Movement	53	24	(2)	31	0
Total	Balance	18,024	11,441	3,614	2,959	9
	Movement	226	437	(322)	110	1

(Notes) 1. Reserves for residential earthquake insurance and CALI are included in ordinary underwriting reserves.

2. Movement of Ordinary underwriting reserves, Reserve for refunds and dividends to policyholders, and Total underwriting reserves for the year ended March 31, 2020 is not consistent with the change from the balance on March 31, 2019 mainly due to the effect of transfer the long-term third sector insurance contracts to Mitsui Sumitomo Aioi Life Insurance Co., Ltd.

(8) Catastrophe reserve

(Yen in 100 millions)

	March 31, 2019		March 31, 2020			
	Balance	Reserve ratio	Reversal	Provision	Balance	Reserve ratio
		%				%
Fire and allied	749	40.8	425	534	858	43.1
Marine	137	168.7	39	1	98	136.2
Personal accident	691	108.1	47	18	662	116.4
Voluntary automobile	533	7.8	189	228	571	8.0
Other	736	55.3	36	67	768	55.9
Total	2,848	26.5	738	849	2,959	26.6

(Note) Reserve ratio = catastrophe reserve / net premiums written (excluding premiums of residential earthquake insurance and CALI) x 100

(9) Investment assets

(Yen in 100 millions)

	March 31, 2019	March 31, 2020	
			Change
Cash, deposits and savings	1,839	1,765	(74)
Investments in securities:	24,113	23,176	(937)
Domestic bonds	8,408	8,290	(118)
Domestic stocks	8,234	6,969	(1,264)
Foreign securities	6,771	7,158	387
Other securities	698	757	58
Loans	2,010	2,181	171
Land and buildings	1,592	1,598	6
Total	29,555	28,721	(833)

(Reference)

Long-term investment assets	3,903	3,578	(325)
-----------------------------	-------	-------	-------

(Reference) Breakdown of domestic bonds

(Yen in 100 millions)

	March 31, 2019	March 31, 2020	
			Change
Government bonds	5,620	4,870	(749)
Municipal bonds	209	366	157
Corporate bonds:	2,578	3,052	474
Government agency bonds	508	515	6
Specific financial institution bonds	79	54	(25)
Other corporate bonds	1,990	2,483	492
Total	8,408	8,290	(118)

(10) Breakdown of interest and dividends income

(Yen in 100 millions)

	Year ended March 31, 2019	Year ended March 31, 2020	
			Change
Investments in securities:	483	509	26
Domestic bonds	93	85	(8)
Domestic stocks	203	208	4
Foreign securities	158	158	0
Other securities	28	57	29
Loans	21	20	(0)
Land and buildings	47	47	0
Other	8	15	6
Total	561	593	32

(11) Investments in securities

Unrealized gains and losses on investments in securities

(Yen in 100 millions)

March 31, 2020	Cost	Fair value	Difference	Change from
				March 31, 2019
Domestic bonds	7,750	8,290	540	(104)
Domestic stocks	3,798	6,708	2,910	(1,050)
Foreign securities	5,957	6,282	324	(86)
Other securities	672	651	(20)	(68)
Total	18,179	21,932	3,753	(1,309)

(Yen in 100 millions)

March 31, 2019	Cost	Fair value	Difference
Domestic bonds	7,764	8,408	644
Domestic stocks	4,013	7,973	3,960
Foreign securities	5,492	5,903	410
Other securities	580	627	47
Total	17,850	22,913	5,063

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

Gains and losses on sales of securities

(Yen in 100 millions)

	Year ended March 31, 2019 Gains/(losses)	Year ended March 31, 2020 Gains/(losses)		
		Gains	Losses	
Domestic bonds	20	22	22	0
Domestic stocks	140	298	304	5
Foreign securities	9	(0)	24	24
Other securities	(0)	-	-	-
Total	170	320	351	30

Impairment losses on securities

(Yen in 100 millions)

	Year ended March 31, 2019	Year ended March 31, 2020	
		Change	
Domestic bonds	-	-	-
Domestic stocks	20	109	89
Foreign securities	-	0	0
Other securities	-	-	-
Total	20	110	89

4. Earnings Forecasts

(1) Consolidated Business Results

(Yen in 100 millions)

	Items	Results for year ended March 31, 2020	Forecasts for year ending March 31, 2021	Change from previous year
Net premiums written (non-life insurance)	1	35,737	34,000	(1,737)
Mitsui Sumitomo Insurance	2	15,479	15,020	(459)
Aioi Nissay Dowa Insurance	3	12,767	12,420	(347)
Simple sum	4	28,247	27,440	(807)
Mitsui Direct General Insurance	5	363	366	2
Overseas insurance subsidiaries	6	7,119	6,190	(929)
Insurance premiums (domestic life insurance)	7	13,934	10,040	(3,894)
Mitsui Sumitomo Aioi Life Insurance	8	5,212	5,040	(172)
Mitsui Sumitomo Primary Life Insurance	9	8,721	5,000	(3,721)
Ordinary profit	10	1,577	1,700	122
Net income attributable to owners of the parent	11	1,430	1,300	(130)
Mitsui Sumitomo Insurance	12	940	760	(180)
Aioi Nissay Dowa Insurance	13	447	230	(217)
Simple sum	14	1,388	990	(398)
Mitsui Direct General Insurance	15	1	1	-
Mitsui Sumitomo Aioi Life Insurance	16	75	80	4
Mitsui Sumitomo Primary Life Insurance	17	203	150	(53)
Overseas insurance subsidiaries	18	361	120	(241)
Others, consolidation adjustments, etc.	19	(599)	(41)	558
Annual total of dividends per share	20	150.00 yen	150.00 yen	- yen

(Note) Items 12 to 18 represent the net income or loss on a non-consolidated basis after taking into account the Company's ownership interests in its subsidiaries.

(2) Domestic Non-Life Insurance Subsidiaries (Two Main Consolidated Subsidiaries)

(Yen in 100 millions)

	Items	Simple sum		Mitsui Sumitomo Insurance		Aioi Nissay Dowa Insurance	
		Forecasts for year ending March 31, 2021	Change from previous year	Forecasts for year ending March 31, 2021	Change from previous year	Forecasts for year ending March 31, 2021	Change from previous year
Net premiums written	1	27,440	(807)	15,020	(459)	12,420	(347)
Growth rate of net premiums written	2	(2.9) %	(5.8) %	(3.0) %	(5.3) %	(2.7) %	(6.2) %
Net loss ratio ^(Note 1)	3	61.8 %	(0.9) %	61.2 %	(2.1) %	62.6 %	0.6 %
Net expense ratio ^(Note 2)	4	35.1 %	2.0 %	34.5 %	2.5 %	35.7 %	1.2 %
Combined ratio ^(Note 3)	5	96.9 %	1.1 %	95.7 %	0.4 %	98.3 %	1.8 %
EI loss ratio ^(Note 4, 5)	6	59.3 %	(2.4) %	58.1 %	(3.7) %	60.8 %	(0.8) %
Underwriting profit	7	550	465	480	406	70	58
Investment profit	8	910	(582)	750	(189)	160	(393)
Ordinary profit	9	1,400	(77)	1,140	248	260	(326)
Net income	10	990	(398)	760	(180)	230	(217)

(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

4. The calculation is exclusive of residential earthquake insurance and CALI.

5. EI loss ratio = incurred losses (including loss adjustment expenses) / earned premiums x 100

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

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

(Primary assumptions of the forecasts)

- The forecast of net premiums written is based on the Company's own estimate taking into account the trends in the consolidated business results.
- Incurred losses (which are the sum total of net claims paid and movement in outstanding claims) caused by natural disasters in Japan for the year ending March 31, 2021 are assumed to be ¥35.0 billion at Mitsui Sumitomo Insurance Co., Ltd. and ¥25.0 billion at Aioi Nissay Dowa Insurance Co., Ltd..
- Market interest rates, currency exchange rates and stock prices are assumed to be at almost the same level as March 31, 2020.
- As for the impact of COVID-19, although the timing of the cessation of the spread of infection and the impact on the global economy are unclear, we are assuming the negative economic growth in 2020 (decline until June, then gradual recovery). (Real GDP outlook for 2020 is 3.9% lower than the previous year, and for 2021 is 2.3% higher than the previous year).

We plan to conduct a review of the outlook as the impact of COVID-19 becomes more evident.

In our business forecast for fiscal 2020, we expect an increase of approximately ¥20.0 billion in incurred losses, mainly in overseas markets, and a decrease of approximately ¥60.0 billion in net investment losses in Japan and overseas. The impact on net income is expected to be approximately ¥(64.0) billion.

The Company's consolidated earnings forecasts have been made based on certain assumptions including those above mentioned but actual results may differ substantially from these forecasts depending on various factors.

Supplementary Information

1. Supplementary Information on Consolidated Business Results

(1) Consolidated Business Results

(Yen in 100 millions)

	Year ended March 31, 2019	Year ended March 31, 2020	Change	Change ratio
Ordinary income and expenses:				
Underwriting income:	49,214	46,405	(2,808)	(5.7) %
Net premiums written	35,004	35,737	733	2.1
Deposit premiums from policyholders	802	755	(46)	(5.8)
Life insurance premiums	12,868	9,437	(3,431)	(26.7)
Underwriting expenses:	44,096	37,498	(6,598)	(15.0)
Net claims paid	21,321	20,272	(1,049)	(4.9)
Loss adjustment expenses	1,757	1,773	16	0.9
Commissions and collection expenses	7,051	7,274	222	3.2
Maturity refunds to policyholders	2,320	2,206	(113)	(4.9)
Life insurance claims	3,959	3,766	(193)	(4.9)
Provision for outstanding claims	609	199	(410)	(67.3)
Provision for underwriting reserves	7,033	1,961	(5,071)	(72.1)
Investment income:	5,611	5,115	(496)	(8.8)
Interest and dividends income	3,041	3,045	3	0.1
Investment gains on money trusts	754	646	(108)	(14.4)
Gains on sales of securities	1,616	1,188	(427)	(26.5)
Investment gains on separate accounts	431	-	(431)	(100.0)
Investment expenses:	1,048	5,129	4,081	389.5
Investment losses on money trusts	1	473	471	27,565.0
Losses on sales of securities	173	180	6	3.6
Impairment losses on securities	90	396	305	336.6
Investment losses on separate accounts	-	574	574	-
Operating expenses and general and administrative expenses	6,809	6,946	137	2.0
Other ordinary income and expenses:	36	(369)	(406)	(1,124.8)
Gains/(losses) on equity method investments	37	(308)	(346)	(923.0)
Ordinary profit	2,908	1,577	(1,331)	(45.8)
Extraordinary income and losses:				
Extraordinary income	170	514	343	201.3
Reversal of reserve for price fluctuation	-	358	358	-
Extraordinary losses	280	1,966	1,685	600.3
Provision for reserve for price fluctuation	203	-	(203)	(100.0)
Extraordinary income/(losses)	(110)	(1,451)	(1,341)	-
Income before income taxes	2,798	125	(2,673)	(95.5)
Income taxes - current	886	344	(541)	(61.2)
Income taxes - deferred	(31)	(1,674)	(1,643)	-
Total income taxes	854	(1,330)	(2,185)	(255.7)
Net income	1,943	1,455	(488)	(25.1)
Net income attributable to non-controlling interests	16	25	8	51.3
Net income attributable to owners of the parent	1,927	1,430	(496)	(25.8)

- (Notes) 1. The figures in the above table are presented as exclusive of Good Result Return premiums of Mitsui Sumitomo Insurance's proprietary automobile insurance product "ModoRich", which contains a special clause related to premium adjustment and refund at maturity.
2. Extraordinary losses for the fiscal year ended March 31, 2020 include impairment losses of ¥173.6 billion and provision for losses on sales of shares of subsidiaries and associates of ¥16.9 billion.
3. Total income taxes for the fiscal year ended March 31, 2020 include a decrease of ¥166.7 billion mainly due to a decrease of taxable earnings and recognizing deferred tax assets related to reorganization of Mitsui Sumitomo Insurance's international business.

(2) 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	Year ended March 31, 2019			Year ended March 31, 2020		
	Amount	Share (%)	Change ratio (%)	Amount	Share (%)	Change ratio (%)
Fire and allied	677,543	18.0	8.1	734,573	19.2	8.4
Marine	184,578	4.9	9.5	185,068	4.8	0.3
Personal accident	321,651	8.6	0.3	311,984	8.2	(3.0)
Voluntary automobile	1,550,037	41.2	0.3	1,570,344	41.0	1.3
CALI	346,258	9.2	0.8	347,736	9.1	0.4
Other	681,779	18.1	6.0	677,583	17.7	(0.6)
Total:	3,761,848	100.0	3.1	3,827,289	100.0	1.7
Deposit premiums from policyholders	80,235	2.1	(7.1)	75,553	2.0	(5.8)

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

Voluntary Automobile	1,552,868		0.1	1,570,344		1.1
Total	3,764,680		3.0	3,827,289		1.7

Net Premiums Written by Line of Insurance

(Yen in millions)

Lines of Insurance	Year ended March 31, 2019			Year ended March 31, 2020		
	Amount	Share (%)	Change ratio (%)	Amount	Share (%)	Change ratio (%)
Fire and allied	558,427	16.0	0.9	589,897	16.5	5.6
Marine	152,333	4.3	7.0	147,814	4.1	(3.0)
Personal accident	261,273	7.5	8.7	246,806	6.9	(5.5)
Voluntary automobile	1,593,578	45.6	0.4	1,632,423	45.7	2.4
CALI	337,844	9.6	(4.0)	347,214	9.7	2.8
Other	594,114	17.0	5.0	609,575	17.1	2.6
Total	3,497,572	100.0	1.6	3,573,732	100.0	2.2

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

Voluntary automobile	1,596,409		0.2	1,632,423		2.3
Total	3,500,403		1.6	3,573,732		2.1

Net Claims Paid by Line of Insurance

(Yen in millions)

Lines of Insurance	Year ended March 31, 2019			Year ended March 31, 2020		
	Amount	Share (%)	Change ratio (%)	Amount	Share (%)	Change ratio (%)
Fire and allied	526,294	24.7	39.1	405,830	20.0	(22.9)
Marine	83,445	3.9	1.4	81,804	4.1	(2.0)
Personal accident	110,904	5.2	4.4	114,146	5.6	2.9
Voluntary automobile	872,529	40.9	3.6	880,237	43.4	0.9
CALI	247,757	11.6	(2.1)	233,215	11.5	(5.9)
Other	291,224	13.7	6.4	311,978	15.4	7.1
Total	2,132,155	100.0	10.2	2,027,212	100.0	(4.9)

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

(3) Investments in Securities

1. Trading securities

(Yen in millions)

	March 31, 2019		March 31, 2020	
	Carrying amount	Unrealized gains/(losses) included in income	Carrying amount	Unrealized gains/(losses) included in income
Trading securities	3,211,098	(12,558)	2,949,868	(107,583)

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

2. Held-to-maturity securities

(Yen in millions)

Items	March 31, 2019			March 31, 2020		
	Carrying amount	Fair value	Difference	Carrying amount	Fair value	Difference
Domestic Bonds	1,056,044	1,286,289	230,244	1,095,428	1,311,673	216,244
Foreign Securities	-	-	-	4,003	4,066	62
Other Securities	8,198	8,198	-	13,108	13,108	-
Total	1,064,243	1,294,487	230,244	1,112,541	1,328,848	216,307

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

3. Debt securities earmarked for underwriting reserves

(Yen in millions)

Items	March 31, 2019			March 31, 2020		
	Carrying amount	Fair value	Difference	Carrying amount	Fair value	Difference
Domestic Bonds	757,068	811,591	54,522	1,020,255	1,089,940	69,684
Foreign Securities	1,606,242	1,713,764	107,521	1,382,664	1,523,118	140,453
Total	2,363,311	2,525,355	162,044	2,402,920	2,613,059	210,138

4. Available-for-sale securities

(Yen in millions)

Items	March 31, 2019			March 31, 2020		
	Cost	Carrying amount	Difference	Cost	Carrying amount	Difference
Domestic Bonds	3,592,074	3,912,768	320,693	3,429,477	3,700,304	270,827
Domestic Stocks	1,098,918	2,486,984	1,388,065	1,018,732	2,065,614	1,046,882
Foreign Securities	2,414,156	2,475,337	61,180	2,578,973	2,651,182	72,209
Other Securities	218,824	228,732	9,908	274,406	269,561	(4,845)
Total	7,323,973	9,103,822	1,779,848	7,301,590	8,686,663	1,385,073

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

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

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

For the year ended March 31, 2019: ¥7,553 million (comprised of ¥6,761 million on Domestic stocks and ¥792 million on Foreign securities)

For the year ended March 31, 2020: ¥36,009 million (comprised of ¥31,843 million on Domestic stocks and ¥4,165 million on Foreign securities)

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

2. Summary of Business Results of Main Consolidated Subsidiaries

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

Non-Consolidated Balance Sheets

(Yen in millions)

Items	March 31, 2019	March 31, 2020
(Assets)		
Cash, deposits and savings:	451,820	489,791
Cash on hand	57	31
Deposits in banks	451,762	489,760
Receivables under resale agreements	6,999	-
Monetary claims bought	13,650	8,217
Money trusts	3,543	2,961
Investments in securities:	5,399,897	4,925,543
Government bonds	979,885	874,430
Municipal bonds	87,459	92,416
Corporate bonds	555,690	567,429
Domestic stocks	1,728,866	1,433,930
Foreign securities	2,003,496	1,894,855
Other securities	44,498	62,481
Loans:	396,292	400,609
Policy loans	6,515	6,000
General loans	389,776	394,609
Tangible fixed assets:	207,392	209,951
Land	78,087	77,417
Buildings	115,698	112,617
Construction in progress	335	2,208
Other tangible fixed assets	13,271	17,707
Intangible fixed assets:	73,972	98,478
Software	14,527	49,756
Other intangible fixed assets	59,445	48,722
Other assets:	393,734	419,666
Premiums receivable	4,311	7,604
Due from agencies	122,339	125,333
Co-insurance accounts receivable	12,721	9,435
Reinsurance accounts receivable	64,100	63,139
Foreign reinsurance accounts receivable	94,274	92,577
Agency business accounts receivable	607	805
Other receivables	35,260	56,711
Accrued income	5,632	4,917
Guarantee deposits	10,323	10,597
Deposits with the Japan Earthquake Reinsurance Company	4,138	4,365
Suspense payments	36,911	39,716
Initial margins for future transactions	701	711
Derivative financial instruments	1,347	2,241
Cash collateral pledged under derivative transactions	393	941
Other assets	670	565
Deferred tax assets	-	111,516
Customers' liabilities under acceptances and guarantees	33,123	25,987
Bad debt reserve	(3,282)	(6,635)
Total assets	6,977,145	6,686,089

(Yen in millions)

Items	March 31, 2019	March 31, 2020
(Liabilities)		
Policy liabilities:	3,798,043	3,715,273
Outstanding claims	644,153	629,241
Underwriting reserves	3,153,890	3,086,032
Bonds issued	487,093	587,093
Other liabilities:	502,358	566,927
Co-insurance accounts payable	11,656	12,977
Reinsurance accounts payable	63,195	62,131
Foreign reinsurance accounts payable	29,004	35,347
Agency business accounts payable	16	630
Payables under securities lending transactions	-	61,603
Borrowings	196,767	198,381
Income taxes payable	18,683	3,744
Deposits received	64,182	60,177
Unearned income	25	24
Other payables	46,990	45,225
Suspense receipts	23,220	21,088
Derivative financial instruments	1,787	2,770
Cash collateral received under derivative transactions	40,357	56,402
Lease obligations	1,294	1,297
Asset retirement obligations	3,881	3,913
Other liabilities	1,295	1,212
Reserve for pension and retirement benefits	134,438	120,827
Reserve for retirement benefits for officers	403	316
Accrued bonuses for employees	10,447	10,633
Reserve for reorganization by function	906	-
Reserves under the special laws:	76,003	19,007
Reserve for price fluctuation	76,003	19,007
Deferred tax liabilities	101,693	-
Acceptances and guarantees	33,123	25,987
Total liabilities	5,144,511	5,046,067
(Net assets)		
Common stock	139,595	139,595
Capital surplus:	93,107	93,107
Additional paid-in capital	93,107	93,107
Retained earnings:	685,439	698,675
Legal earned reserve	46,487	46,487
Other retained earnings:	638,951	652,187
Tax-exempted reserve for accelerated depreciation	15,837	15,561
Retained earnings brought forward	623,113	636,626
Total shareholders' equity	918,142	931,378
Net unrealized gains/(losses) on investments in securities	885,036	683,030
Net deferred gains/(losses) on hedges	29,454	25,613
Total valuation and translation adjustments	914,491	708,643
Total net assets	1,832,634	1,640,022
Total liabilities and net assets	6,977,145	6,686,089

Non-Consolidated Statements of Income

(Yen in millions)

Items	Year ended March 31, 2019	Year ended March 31, 2020
Ordinary income:	1,908,617	1,784,456
Underwriting income:	1,696,441	1,644,049
Net premiums written	1,509,617	1,547,930
Deposit premiums from policyholders	55,858	52,386
Investment income on deposit premiums from policyholders	32,235	30,105
Reversal of outstanding claims	-	13,585
Reversal of underwriting reserves	98,308	-
Foreign exchange gains	348	-
Other underwriting income	73	42
Investment income:	206,852	135,749
Interest and dividends income	113,912	101,912
Gains on sales of securities	121,459	58,254
Gains on redemption of securities	256	862
Gains on derivative transactions	2,343	3,419
Foreign exchange gains	625	-
Other investment income	491	1,405
Transfer of investment income on deposit premiums from policyholders	(32,235)	(30,105)
Other ordinary income	5,322	4,657
Ordinary expenses:	1,682,140	1,695,343
Underwriting expenses:	1,436,790	1,419,697
Net claims paid	910,965	888,652
Loss adjustment expenses	89,662	90,679
Commissions and collection expenses	265,429	278,348
Maturity refunds to policyholders	167,736	157,089
Dividends to policyholders	118	84
Provision for outstanding claims	2,442	-
Provision for underwriting reserves	-	3,337
Foreign exchange losses	-	985
Other underwriting expenses	436	520
Investment expenses:	12,622	33,085
Investment losses on money trusts	171	566
Losses on sales of securities	5,375	4,387
Impairment losses on securities	4,052	20,878
Losses on redemption of securities	44	162
Foreign exchange losses	-	4,313
Other investment expenses	2,978	2,776
Operating expenses and general and administrative expenses	223,294	229,308
Other ordinary expenses:	9,434	13,251
Interest expense	7,734	9,353
Provision for bad debts	172	3,427
Losses on bad debts	1	27
Other ordinary expenses	1,526	442
Ordinary profit	226,476	89,113
Extraordinary income:	2,982	61,429
Gains on sales of fixed assets	2,982	4,432
Reversal of reserves under the special laws:	-	56,996
Reversal of reserve for price fluctuation	-	56,996
Extraordinary losses:	6,095	189,539
Losses on sales of fixed assets	1,265	1,307
Impairment losses on fixed assets	639	499
Provision for reserves under the special laws:	4,190	-
Provision for reserve for price fluctuation	4,190	-
Losses on valuation of shares of subsidiaries and associates	-	186,325
Other extraordinary losses	-	1,407
Income/(loss) before income taxes	223,363	(38,997)
Income taxes - current	58,143	485
Income taxes - deferred	(5,882)	(133,562)
Total income taxes	52,260	(133,076)
Net income	171,102	94,079

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, 2019	March 31, 2020
(A) Total amount of solvency margin	3,321,706	3,076,392
Total net assets	856,325	879,578
Reserve for price fluctuation	76,003	19,007
Contingency reserve	60	-
Catastrophe reserve	527,790	550,227
General bad debt reserve	111	86
Net unrealized gains/(losses) on investments in securities and net deferred gains/(losses) on hedges (prior to tax effect deductions)	1,104,761	852,586
Net unrealized gains/(losses) on land	48,551	54,618
Excess of policyholders' contract deposits (a)	-	-
Subordinated debts, etc. (b)	487,093	487,093
Amount excluded from the margin, out of (a) and (b)	-	-
Deductions	6,642	3,642
Others	227,650	236,835
(B) Total amount of risks $\sqrt{(R_1 + R_2)^2 + (R_3 + R_4)^2} + R_5 + R_6$	918,540	877,260
General insurance risk (R ₁)	131,847	136,088
Insurance risk of third sector insurance contracts (R ₂)	-	-
Assumed interest rate risk (R ₃)	14,611	13,475
Asset management risk (R ₄)	757,347	700,269
Business administration risk (R ₅)	20,376	19,617
Catastrophe risk (R ₆)	115,025	131,040
(C) Solvency margin ratio [(A) / {(B) x 1/2}] x 100	723.2 %	701.3 %

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

Non-Consolidated Balance Sheets

(Yen in millions)

Items	March 31, 2019	March 31, 2020
(Assets)		
Cash, deposits and savings:	181,470	174,108
Cash on hand	18	18
Deposits in banks	181,452	174,090
Money trusts	2,483	2,441
Investments in securities:	2,411,362	2,317,658
Government bonds	562,094	487,098
Municipal bonds	20,930	36,695
Corporate bonds	257,869	305,287
Domestic stocks	823,412	696,983
Foreign securities	677,156	715,866
Other securities	69,898	75,728
Loans:	201,022	218,147
Policy loans	2,590	2,258
General loans	198,431	215,889
Tangible fixed assets:	177,051	182,184
Land	74,275	74,281
Buildings	84,965	85,562
Lease assets	3	2
Construction in progress	6,368	10,048
Other tangible fixed assets	11,438	12,288
Intangible fixed assets:	42,914	55,884
Software	9,783	24,166
Other intangible fixed assets	33,131	31,718
Other assets:	354,507	381,021
Premiums receivable	2,412	2,222
Due from agencies	81,701	83,351
Due from foreign agencies	897	834
Co-insurance accounts receivable	5,747	5,635
Reinsurance accounts receivable	49,733	49,147
Foreign reinsurance accounts receivable	126,947	143,958
Agency business accounts receivable	71	325
Other receivables	43,036	43,965
Accrued income	7,014	6,353
Guarantee deposits	6,777	6,612
Deposits with the Japan Earthquake Reinsurance Company	2,499	2,591
Suspense payments	24,825	28,023
Derivative financial instruments	2,842	7,998
Prepaid pension expenses	20,501	19,427
Deferred tax assets	16,426	63,162
Customers' liabilities under acceptances and guarantees	4,500	7,500
Bad debt reserve	(1,251)	(804)
Total assets	3,410,989	3,420,733

(Yen in millions)

Items	March 31, 2019	March 31, 2020
(Liabilities)		
Policy liabilities:	2,426,782	2,366,879
Outstanding claims	591,844	564,436
Underwriting reserves	1,834,938	1,802,443
Bonds issued	22,000	72,000
Other liabilities:	171,219	265,188
Co-insurance accounts payable	3,433	3,721
Reinsurance accounts payable	52,448	49,778
Foreign reinsurance accounts payable	53,043	60,815
Agency business accounts payable	1,500	2,285
Payables under securities lending transactions	-	79,080
Income taxes payable	3,060	10,090
Deposits received	3,249	3,545
Unearned income	27	26
Other payables	32,064	33,642
Suspense receipts	19,507	17,678
Derivative financial instruments	2,034	3,629
Lease obligations	3	2
Asset retirement obligations	847	891
Other liabilities	0	0
Reserve for pension and retirement benefits	31,288	34,378
Accrued bonuses for employees	6,016	6,619
Reserve for reorganization by function	253	-
Reserves under the special laws:	13,373	30,088
Reserve for price fluctuation	13,373	30,088
Acceptances and guarantees	4,500	7,500
Total liabilities	2,675,433	2,782,654
(Net assets)		
Common stock	100,005	100,005
Capital surplus:	81,207	81,207
Additional paid-in capital	52,593	52,593
Other capital surplus	28,614	28,614
Retained earnings:	180,526	185,491
Legal earned reserve	47,411	47,411
Other retained earnings:	133,114	138,079
Retained earnings brought forward	133,114	138,079
Total shareholders' equity	361,739	366,703
Net unrealized gains/(losses) on investments in securities	373,815	271,374
Total valuation and translation adjustments	373,815	271,374
Total net assets	735,555	638,078
Total liabilities and net assets	3,410,989	3,420,733

Non-Consolidated Statements of Income

(Yen in millions)

Items	Year ended March 31, 2019	Year ended March 31, 2020
Ordinary income:	1,425,517	1,414,439
Underwriting income:	1,354,477	1,324,161
Net premiums written	1,233,581	1,276,770
Deposit premiums from policyholders	24,377	23,167
Investment income on deposit premiums from policyholders	16,539	15,130
Reversal of outstanding claims	-	8,847
Reversal of underwriting reserves	75,120	-
Foreign exchange gains	242	-
Other underwriting income	4,616	244
Investment income:	62,276	81,322
Interest and dividends income	56,150	59,396
Investment gains on money trusts	2	2
Gains on sales of securities	22,397	35,125
Gains on redemption of securities	90	1,868
Foreign exchange gains	77	-
Other investment income	97	60
Transfer of investment income on deposit premiums from policyholders	(16,539)	(15,130)
Other ordinary income	8,763	8,956
Ordinary expenses:	1,364,135	1,355,823
Underwriting expenses:	1,159,840	1,133,794
Net claims paid	770,582	724,662
Loss adjustment expenses	66,390	66,686
Commissions and collection expenses	238,394	251,774
Maturity refunds to policyholders	64,336	63,608
Dividends to policyholders	30	18
Provision for outstanding claims	18,865	-
Provision for underwriting reserves	-	22,641
Foreign exchange losses	-	3,139
Other underwriting expenses	1,240	1,263
Investment expenses:	13,890	20,788
Losses on sales of securities	5,379	3,039
Impairment losses on securities	2,076	11,023
Losses on redemption of securities	-	0
Losses on derivative transactions	4,861	3,953
Foreign exchange losses	-	620
Other investment expenses	1,572	2,150
Operating expenses and general and administrative expenses	188,607	198,919
Other ordinary expenses:	1,796	2,321
Interest expense	398	617
Provision for bad debts	55	-
Losses on bad debts	0	1
Other ordinary expenses	1,342	1,702
Ordinary profit	61,382	58,615
Extraordinary income:	701	168
Gains on sales of fixed assets	701	168
Extraordinary losses:	14,463	18,420
Losses on sales of fixed assets	1,203	1,444
Impairment losses on fixed assets	1,569	261
Provision for reserves under the special laws:	11,684	16,714
Provision for reserve for price fluctuation	11,684	16,714
Losses on reduction of tangible fixed assets	5	-
Income before income taxes	47,620	40,363
Income taxes - current	9,584	13,559
Income taxes - deferred	728	(17,980)
Total income taxes	10,312	(4,420)
Net income	37,307	44,784

Non-Consolidated Solvency Margin Ratio

(Yen in millions)

	March 31, 2019	March 31, 2020
(A) Total amount of solvency margin	1,168,396	1,148,081
Total net assets	333,503	348,002
Reserve for price fluctuation	13,373	30,088
Contingency reserve	780	906
Catastrophe reserve	288,003	299,132
General bad debt reserve	231	123
Net unrealized gains/(losses) on investments in securities and net deferred gains/(losses) on hedges (prior to tax effect deductions)	456,845	338,684
Net unrealized gains/(losses) on land	23,420	27,385
Excess of policyholders' contract deposits (a)	-	-
Subordinated debts, etc. (b)	13,200	58,800
Amount excluded from the margin, out of (a) and (b)	-	-
Deductions	4,822	4,269
Others	43,859	49,228
(B) Total amount of risks $\sqrt{(R_1 + R_2)^2 + (R_3 + R_4)^2} + R_5 + R_6$	339,508	326,916
General insurance risk (R ₁)	109,193	114,413
Insurance risk of third sector insurance contracts (R ₂)	-	-
Assumed interest rate risk (R ₃)	7,283	6,634
Asset management risk (R ₄)	216,865	194,535
Business administration risk (R ₅)	8,304	8,060
Catastrophe risk (R ₆)	81,872	87,425
(C) Solvency margin ratio [(A) / {(B) x 1/2}] x 100	688.2 %	702.3 %

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

(Yen in millions)

Items	March 31, 2019	March 31, 2020
(Assets)		
Cash, deposits and savings:	7,036	12,133
Deposits in banks	7,036	12,133
Investments in securities:	42,042	35,972
Government bonds	901	-
Municipal bonds	20,158	17,072
Corporate bonds	14,479	12,459
Other securities	6,503	6,441
Tangible fixed assets:	548	447
Buildings	46	40
Other tangible fixed assets	502	407
Intangible fixed assets:	5,076	5,880
Software	4,601	5,880
Other intangible fixed assets	475	0
Other assets:	6,216	5,339
Premiums receivable	0	0
Reinsurance accounts receivable	418	13
Other receivables	3,589	3,350
Accrued income	44	35
Income taxes receivable	-	40
Guarantee deposits	352	350
Suspense payments	1,811	1,547
Other assets	0	0
Bad debt reserve	(3)	(4)
Total assets	60,917	59,768
(Liabilities)		
Policy liabilities:	44,995	43,705
Outstanding claims	24,432	22,946
Underwriting reserves	20,563	20,759
Other liabilities:	1,398	1,405
Reinsurance accounts payable	2	1
Income taxes payable	157	95
Unearned income	-	49
Other payables	1,211	1,218
Suspense receipts	8	22
Asset retirement obligations	17	18
Reserve for pension and retirement benefits	163	219
Accrued bonuses for employees	280	288
Reserves under the special laws:	72	79
Reserve for price fluctuation	72	79
Deferred tax liabilities	84	50
Total liabilities	46,994	45,750
(Net assets)		
Common stock	39,106	39,106
Capital surplus:	9,006	9,006
Additional paid-in capital	9,006	9,006
Retained earnings:	(34,243)	(34,083)
Other retained earnings:	(34,243)	(34,083)
Retained earnings brought forward	(34,243)	(34,083)
Total shareholders' equity	13,868	14,028
Net unrealized gains/(losses) on investments in securities	54	(10)
Total valuation and translation adjustments	54	(10)
Total net assets	13,923	14,017
Total liabilities and net assets	60,917	59,768

Non-Consolidated Statements of Income

(Yen in millions)

Items	Year ended March 31, 2019	Year ended March 31, 2020
Ordinary income:	37,612	37,933
Underwriting income:	37,559	37,883
Net premiums written	36,663	36,374
Investment income on deposit premiums from policyholders	22	21
Reversal of outstanding claims	363	1,486
Reversal of underwriting reserves	510	-
Investment income:	32	28
Interest and dividends income	55	50
Transfer of investment income on deposit premiums from policyholders	(22)	(21)
Other ordinary income	19	21
Ordinary expenses:	37,227	37,755
Underwriting expenses:	28,235	27,793
Net claims paid	25,123	24,469
Loss adjustment expenses	2,811	2,789
Commissions and collection expenses	300	337
Provision for underwriting reserves	-	196
Investment expenses:	-	-
Operating expenses and general and administrative expenses	8,988	9,957
Other ordinary expenses:	2	4
Provision for bad debts	-	1
Other ordinary expenses	2	2
Ordinary profit	384	178
Extraordinary income	-	-
Extraordinary losses:	15	31
Losses on sales of fixed assets	6	24
Provision for reserves under the special laws:	8	7
Provision for reserve for price fluctuation	8	7
Income before taxes	369	146
Income taxes - current	131	(0)
Income taxes - deferred	(10)	(12)
Total income taxes	120	(12)
Net income	249	159

Non-Consolidated Solvency Margin Ratio

(Yen in millions)

	March 31, 2019	March 31, 2020
(A) Total amount of solvency margin	15,222	15,305
Total net assets	13,868	14,028
Reserve for price fluctuation	72	79
Contingency reserve	0	0
Catastrophe reserve	1,210	1,205
General bad debt reserve	3	2
Net unrealized gains/(losses) on investments in securities and net deferred gains/(losses) on hedges (prior to tax effect deductions)	68	(10)
Net unrealized gains/(losses) on land	-	-
Excess of policyholders' contract deposits (a)	-	-
Subordinated debts, etc. (b)	-	-
Amount excluded from the margin, out of (a) and (b)	-	-
Deductions	-	-
Others	-	-
(B) Total amount of risks $\sqrt{(R_1 + R_2)^2 + (R_3 + R_4)^2} + R_5 + R_6$	6,117	5,809
General insurance risk (R ₁)	5,516	5,227
Insurance risk of third sector insurance contracts (R ₂)	-	-
Assumed interest rate risk (R ₃)	0	0
Asset management risk (R ₄)	1,031	955
Business administration risk (R ₅)	205	194
Catastrophe risk (R ₆)	300	300
(C) Solvency margin ratio [(A) / {(B) x 1/2}] x 100	497.6 %	526.9 %

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

(Yen in millions)

Items	March 31, 2019	March 31, 2020
(Assets)		
Cash, deposits and savings:	73,027	196,400
Cash on hand	0	0
Deposits in banks	73,027	196,400
Receivables under resale agreements	465,377	407,722
Investments in securities:	3,548,477	3,757,612
Government bonds	2,213,343	2,529,779
Municipal bonds	183,243	163,827
Corporate bonds	883,523	857,138
Domestic stocks	770	682
Foreign securities	195,146	166,282
Other securities	72,449	39,900
Loans:	59,506	63,130
Policy loans	59,506	63,130
Tangible fixed assets:	3,347	4,345
Buildings	532	476
Lease assets	1,486	2,472
Other tangible fixed assets	1,328	1,396
Intangible fixed assets:	30,851	32,841
Software	8,067	22,321
Other intangible fixed assets	22,783	10,519
Due from agencies	186	1,996
Reinsurance accounts receivable	3,230	868
Other assets:	45,775	45,651
Other receivables	34,197	33,184
Prepaid expenses	1,182	2,551
Accrued income	6,940	7,103
Guarantee deposits	369	391
Derivative financial instruments	1,400	151
Suspense payments	1,551	494
Other assets	131	1,774
Bad debt reserve	(117)	(97)
Total assets	4,229,662	4,510,472

(Yen in millions)

Items	March 31, 2019	March 31, 2020
(Liabilities)		
Policy liabilities:	3,415,379	3,779,645
Outstanding claims	29,520	31,886
Underwriting reserves	3,376,079	3,737,682
Reserve for dividends to policyholders	9,780	10,077
Due to agencies	4,296	3,623
Reinsurance accounts payable	253	291
Other liabilities:	509,173	449,640
Payables under repurchase agreements	468,782	412,965
Payables under securities lending transactions	23,687	25,072
Income taxes payable	2,496	532
Other payables	389	777
Accrued expenses	8,376	7,480
Unearned income	0	0
Deposits received	184	110
Derivative financial instruments	11	-
Lease obligations	1,624	1,296
Asset retirement obligations	434	437
Suspense receipts	631	475
Other liabilities	2,554	491
Reserve for pension and retirement benefits	3,474	3,856
Reserve for retirement benefits for officers	10	9
Reserves under the special laws:	7,799	8,725
Reserve for price fluctuation	7,799	8,725
Deferred tax liabilities	13,359	3,891
Total liabilities	3,953,747	4,249,683
(Net assets)		
Common stock	85,500	85,500
Capital surplus:	93,688	93,688
Additional paid-in capital	63,214	63,214
Other capital surplus	30,473	30,473
Retained earnings:	14,645	19,000
Legal earned reserve	946	1,365
Other retained earnings:	13,698	17,635
Retained earnings brought forward	13,698	17,635
Total shareholders' equity	193,833	198,188
Net unrealized gains/(losses) on investments in securities	82,081	62,599
Total valuation and translation adjustments	82,081	62,599
Total net assets	275,915	260,788
Total liabilities and net assets	4,229,662	4,510,472

Non-Consolidated Statements of Income

(Yen in millions)

Items	Year ended March 31, 2019	Year ended March 31, 2020
Ordinary income:	579,934	604,202
Insurance premiums and others:	520,148	535,885
Insurance premiums	504,235	521,297
Reinsurance income	15,913	14,588
Investment income:	57,106	65,682
Interest and dividends income:	44,921	48,920
Interest on deposits	0	0
Interest and dividends on securities	43,138	47,078
Interest on loans	1,675	1,728
Other interest and dividends	106	113
Gains on sales of securities	12,184	15,396
Gains on redemption of securities	1	1,346
Reversal of bad debts	-	19
Other ordinary income:	2,679	2,633
Receipts of annuities with special conditions	779	1,251
Receipts of deferred insurance claims	1,436	1,250
Other ordinary income	462	131
Ordinary expenses:	560,410	585,542
Insurance claims and others:	223,798	239,304
Insurance claims	41,875	44,867
Annuity payments	18,339	19,046
Benefits	21,920	30,996
Surrender benefits	123,934	122,671
Other refunds	3,846	4,237
Reinsurance premiums	13,881	17,484
Provision for underwriting reserves and others:	233,692	232,193
Provision for outstanding claims	1,417	483
Provision for underwriting reserves	232,274	231,709
Provision for interest portion of reserve for dividends to policyholders	0	0
Investment expenses:	6,092	13,999
Losses on sales of securities	4,794	7,790
Losses on derivative transactions	1,235	1,241
Foreign exchange losses	8	2
Provision for bad debts	3	-
Other investment expenses	51	4,965
Operating expenses	83,244	82,423
Other ordinary expenses:	13,582	17,620
Payments of deferred insurance claims	1,453	1,280
Taxes	6,963	7,526
Depreciation	4,821	8,419
Provision for reserve for pension and retirement benefits	337	381
Other ordinary expenses	6	12
Ordinary profit	19,524	18,659
Extraordinary income:	0	0
Gains on sales of fixed assets	0	0
Extraordinary losses:	1,135	939
Losses on sales of fixed assets	198	13
Provision for reserves under the special laws:	936	926
Provision for reserve for price fluctuation	936	926
Provision for reserve for dividends to policyholders	7,842	8,638
Income before income taxes	10,547	9,081
Income taxes - current	3,634	2,962
Income taxes - deferred	(1,055)	(1,381)
Total income taxes	2,578	1,580
Net income	7,968	7,500

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

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

	March 31, 2019		March 31, 2020	
	Number of policies (in thousands)	Amount	Number of policies (in thousands)	Amount
Individual insurance	3,219	238,475	3,726	237,974
Individual annuities	177	6,856	171	6,605
Group insurance	-	85,546	-	88,884
Group annuities	-	3	-	2

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

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

(2) New policies (Yen in 100 millions)

	Year ended March 31, 2019				Year ended March 31, 2020			
	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	337	31,072	31,072	-	319	20,623	20,623	-
Individual annuities	1	73	73	-	1	60	60	-
Group insurance	-	928	928	-	-	964	964	-
Group annuities	-	-	-	-	-	-	-	-

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

Annualized Premiums

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

	March 31, 2019	March 31, 2020
Individual insurance	3,897	4,075
Individual annuities	417	406
Total:	4,315	4,481
Medical coverage, living benefits, etc.	1,078	1,381

(2) New policies (Yen in 100 millions)

	Year ended March 31, 2019	Year ended March 31, 2020
Individual insurance	508	290
Individual annuities	3	2
Total:	511	293
Medical coverage, living benefits, etc.	177	192

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

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

Non-Consolidated Business Performance

(Yen in millions)

	Year ended March 31, 2019	Year ended March 31, 2020	Change
Fundamental revenues:	567,766	588,805	21,038
Insurance premiums and others	520,148	535,885	15,736
Fundamental expenses	552,193	575,198	23,005
Fundamental profit	15,573	13,607	(1,966)
Capital gains/(losses)	6,131	6,366	234
Non-recurring gains/(losses)	(2,180)	(1,313)	867
Ordinary profit	19,524	18,659	(864)
Extraordinary income	0	0	(0)
Extraordinary losses	1,135	939	(195)
Provision for reserve for dividends to policyholders	7,842	8,638	796
Income taxes	2,578	1,580	(997)
Net income	7,968	7,500	(468)

Non-Consolidated Solvency Margin Ratio

(Yen in millions)

	March 31, 2019	March 31, 2020
(A) Total amount of solvency margin	505,779	492,307
Total capital	192,668	193,323
Reserve for price fluctuation	7,799	8,725
Contingency reserve	35,067	38,888
General bad debt reserve	22	3
Net unrealized gains/(losses) on investments in securities and net deferred gains/(losses) on hedges (prior to tax effect deductions) x 90%	102,601	78,249
Net unrealized gains/(losses) on land x 85%	-	-
Excess of continued Zillmerized reserve (a)	162,392	168,067
Subordinated debts, etc. (b)	-	-
Amount excluded from the margin, out of (a) and (b)	-	-
Brought in capital	-	-
Deductions	-	-
Others	5,227	5,048
(B) Total amount of risks $\sqrt{(R_1 + R_8)^2 + (R_2 + R_3 + R_7)^2} + R_4$	60,145	63,551
Insurance risk (R ₁)	18,220	18,352
Insurance risk of third sector insurance contracts (R ₈)	12,950	16,532
Assumed interest rate risk (R ₂)	3,136	3,210
Minimum guarantee risk (R ₇)	-	-
Asset management risk (R ₃)	46,405	47,841
Business administration risk (R ₄)	1,614	1,718
(C) Solvency margin ratio [(A) / {(B) x 1/2}] x 100	1,681.8 %	1,549.3 %

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

(Yen in millions)

Items	March 31, 2019	March 31, 2020
(Assets)		
Cash, deposits and savings:	288,811	399,783
Deposits in banks	288,811	399,783
Monetary claims bought	42,999	100,995
Money trusts	1,538,286	1,660,997
Investments in securities:	4,683,396	4,342,621
Government bonds	14,666	14,566
Municipal bonds	2,243	2,225
Corporate bonds	86,177	64,909
Foreign securities	2,280,077	2,235,824
Other securities	2,300,230	2,025,095
Loans:	244,618	215,294
Policy loans	338	311
General loans	244,280	214,983
Tangible fixed assets:	938	1,046
Buildings	284	322
Lease assets	542	632
Other tangible fixed assets	110	90
Intangible fixed assets:	10,655	12,565
Software	10,449	12,398
Lease assets	206	167
Reinsurance accounts receivable	9,788	8,971
Other assets:	28,814	29,497
Other receivables	7,325	9,691
Prepaid expenses	1,062	1,310
Accrued income	19,651	17,618
Guarantee deposits	576	579
Derivative financial instruments	-	6
Suspense payments	198	290
Deferred tax assets	37,012	43,132
Total assets	6,885,323	6,814,907
(Liabilities)		
Policy liabilities:	6,555,593	6,463,416
Outstanding claims	20,679	19,394
Underwriting reserves	6,534,913	6,444,021
Due to agencies	4,040	3,581
Reinsurance accounts payable	3,936	4,997
Other liabilities:	50,443	68,587
Income taxes payable	2,187	1,396
Other payables	5,397	6,156
Accrued expenses	5,417	4,986
Deposits received	32,189	54,136
Derivative financial instruments	-	3
Lease obligations	818	881
Asset retirement obligations	174	177
Suspense receipts	4,258	849
Reserves under the special laws:	76,000	79,500
Reserve for price fluctuation	76,000	79,500
Total liabilities	6,690,014	6,620,083
(Net assets)		
Common stock	41,060	41,060
Capital surplus:	24,735	24,735
Additional paid-in capital	24,735	24,735
Retained earnings:	103,435	117,883
Legal earned reserve	4,554	5,726
Other retained earnings:	98,881	112,157
Retained earnings brought forward	98,881	112,157
Total shareholders' equity	169,230	183,678
Net unrealized gains/(losses) on investments in securities	19,669	(5,340)
Net deferred gains/(losses) on hedges	6,408	16,486
Total valuation and translation adjustments	26,077	11,145
Total net assets	195,308	194,823
Total liabilities and net assets	6,885,323	6,814,907

Non-Consolidated Statements of Income

(Yen in millions)

Items	Year ended March 31, 2019	Year ended March 31, 2020
Ordinary income:	1,342,809	1,161,038
Insurance premiums and others:	1,129,772	950,922
Insurance premiums	1,095,699	872,119
Reinsurance income	34,072	78,803
Investment income:	209,425	113,966
Interest and dividends income:	88,316	87,232
Interest on deposits	78	46
Interest and dividends on securities	79,490	78,900
Interest on loans	8,525	8,056
Other interest and dividends	222	228
Investment gains on money trusts	75,458	17,881
Gains on sales of securities	2,465	8,542
Gains on redemption of securities	22	310
Investment gains on separate accounts	43,162	-
Other ordinary income:	3,611	96,149
Receipts of annuities with special conditions	3,216	3,354
Reversal of outstanding claims	-	1,284
Reversal of underwriting reserves	-	90,891
Other ordinary income	395	618
Ordinary expenses:	1,307,221	1,129,577
Insurance claims and others:	539,542	696,196
Insurance claims	87,300	97,940
Annuity payments	89,168	87,549
Benefits	176,160	184,780
Surrender benefits	109,120	175,752
Other refunds	3,662	4,118
Reinsurance premiums	74,130	146,055
Provision for underwriting reserves and others:	638,877	-
Provision for outstanding claims	3,296	-
Provision for underwriting reserves	635,581	-
Investment expenses:	64,920	373,891
Interest expense	6	15
Losses on sales of securities	20	528
Impairment losses on securities	-	2,256
Losses on redemption of securities	3	15
Foreign exchange losses	64,837	313,543
Other investment expenses	53	74
Investment losses on separate accounts	-	57,457
Operating expenses	55,000	50,304
Other ordinary expenses:	8,880	9,184
Taxes	6,728	5,811
Depreciation	2,150	3,366
Other ordinary expenses	2	6
Ordinary profit	35,587	31,461
Extraordinary income:	-	-
Extraordinary losses:	3,500	3,500
Provision for reserves under the special laws:	3,500	3,500
Provision for reserve for price fluctuation	3,500	3,500
Income before income taxes	32,087	27,961
Income taxes - current	12,027	7,963
Income taxes - deferred	(3,245)	(312)
Total income taxes	8,782	7,650
Net income	23,305	20,310

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

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

	March 31, 2019		March 31, 2020	
	Number of policies (in thousands)	Amount	Number of policies (in thousands)	Amount
Individual insurance	765	42,699	825	42,587
Individual annuities	379	24,085	386	22,553
Group insurance	-	-	-	-
Group annuities	-	-	-	-

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

(2) New policies (Yen in 100 millions)

	Year ended March 31, 2019				Year ended March 31, 2020			
	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	97	7,399	7,399	-	95	7,111	7,111	-
Individual annuities	62	3,783	3,783	-	26	1,716	1,716	-
Group insurance	-	-	-	-	-	-	-	-
Group annuities	-	-	-	-	-	-	-	-

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

Annualized Premiums

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

	March 31, 2019	March 31, 2020
Individual insurance	3,110	3,318
Individual annuities	2,722	2,660
Total:	5,833	5,979
Medical coverage, living benefits, etc.	0	0

(2) New policies (Yen in 100 millions)

	Year ended March 31, 2019	Year ended March 31, 2020
Individual insurance	632	668
Individual annuities	634	310
Total:	1,266	979
Medical coverage, living benefits, etc.	-	-

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

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

Non-Consolidated Business Performance

(Yen in millions)

	Year ended March 31, 2019	Year ended March 31, 2020	Change
Fundamental revenues:	1,297,226	1,229,009	(68,217)
Insurance premiums and others	1,129,772	950,922	(178,850)
Fundamental expenses	1,309,578	1,256,981	(52,597)
Fundamental profit/(loss)	(12,352)	(27,972)	(15,620)
Capital gains/(losses)	56,602	55,671	(931)
Non-recurring gains/(losses)	(8,662)	3,762	12,425
Ordinary profit	35,587	31,461	(4,126)
Extraordinary income	-	-	-
Extraordinary losses	3,500	3,500	-
Provision for reserve for dividends to policyholders	-	-	-
Income taxes	8,782	7,650	(1,131)
Net income	23,305	20,310	(2,994)

Non-Consolidated Solvency Margin Ratio

(Yen in millions)

	March 31, 2019	March 31, 2020
(A) Total amount of solvency margin	616,094	546,005
Total capital	165,034	179,481
Reserve for price fluctuation	76,000	79,500
Contingency reserve	84,260	80,497
General bad debt reserve	-	-
Net unrealized gains/(losses) on investments in securities and net deferred gains/(losses) on hedges (prior to tax effect deductions) x 90% (100% in case of negative value)	24,586	(7,417)
Net unrealized gains/(losses) on land x 85%	-	-
Excess of continued Zillmerized reserve (a)	229,718	172,286
Subordinated debts, etc. (b)	-	-
Amount excluded from the margin, out of (a) and (b)	-	-
Brought in capital	-	-
Deductions	-	-
Others	36,495	41,657
(B) Total amount of risks $\sqrt{(R_1 + R_8)^2 + (R_2 + R_3 + R_7)^2} + R_4$	149,278	146,376
Insurance risk (R ₁)	752	996
Insurance risk of third sector insurance contracts (R ₈)	3	2
Assumed interest rate risk (R ₂)	56,536	53,345
Minimum guarantee risk (R ₇)	2,303	1,656
Asset management risk (R ₃)	87,495	88,480
Business administration risk (R ₄)	2,941	2,889
(C) Solvency margin ratio [(A) / {(B) x 1/2}] x 100	825.4 %	746.0 %

3. Supplementary Information on Business Results for the Year Ended March 31, 2020 for Press Conference

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

1. Basic Information

(Yen in 100 millions)

	Year ended March 31, 2019 (A)	Six months ended September 30, 2019 (B)	Year ended March 31, 2020 (C)	Change (C) - (A)	Change (C) - (B)
1 Net premiums written	15,124	8,033	15,479	354	-
Change ratio	0.8 %	3.3 %	2.3 %	1.5 %	(0.1)%
2 Total assets	69,771	69,039	66,860	(2,910)	(2,179)
3 Net loss ratio	66.2 %	55.9 %	63.3 %	(2.9)%	7.4 %
4 Net expense ratio	31.5 %	30.4 %	32.0 %	0.5 %	1.6 %
5 Combined ratio	97.7 %	86.3 %	95.3 %	(2.4)%	9.0 %
Underwriting result ratio	2.3 %	13.7 %	4.7 %	2.4 %	(9.0)%
6 Voluntary automobile insurance					
Net premiums written	6,570	3,371	6,703	133	-
Change ratio	(0.3)%	1.7 %	2.0 %	2.3 %	0.3 %
Underwriting result ratio	7.1 %	11.5 %	7.3 %	0.2 %	(4.2)%
Net loss ratio	60.8 %	57.5 %	60.4 %	(0.4)%	2.9 %
Net expense ratio	32.1 %	31.0 %	32.3 %	0.2 %	1.3 %
7 Fire and allied insurance					
Net premiums written	1,988	1,146	2,060	72	-
Change ratio	1.1 %	12.5 %	3.6 %	2.5 %	(8.9)%
Underwriting result ratio	(45.2)%	3.2 %	(23.5)%	21.7 %	(26.7)%
Net loss ratio	104.9 %	57.6 %	80.8 %	(24.1)%	23.2 %
Net expense ratio	40.3 %	39.2 %	42.7 %	2.4 %	3.5 %
8 Number of employees	14,577	14,511	14,371	(206)	(140)
9 Number of agencies	38,122	37,429	36,478	(1,644)	(951)

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

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

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

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

5. Underwriting result ratio = 100 - combined ratio

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

(Yen in 100 millions)

	Year ended March 31, 2019 (A)	Six months ended September 30, 2019 (B)	Year ended March 31, 2020 (C)	Change (C) - (A)	Change (C) - (B)
1 Ordinary income	55,032	28,564	51,683	(3,349)	-
2 Net premiums written	35,004	19,268	35,737	733	-
Change ratio	1.6 %	2.7 %	2.1 %	0.5 %	(0.6)%
3 Life insurance premiums	12,868	5,554	9,437	(3,431)	-
Change ratio	21.6 %	(15.5)%	(26.7)%	(48.3)%	(11.2)%
4 Ordinary profit	2,908	1,082	1,577	(1,331)	-
5 Net income attributable to owners of the parent	1,927	1,635	1,430	(496)	-

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

2. Other Information**(a) Impairment losses on securities**

(Yen in 100 millions)

	Year ended March 31, 2019	Six months ended September 30, 2019	Year ended March 31, 2020
Domestic bonds	-	-	-
Domestic stocks	39	50	175
Foreign securities	1	0	33
Other securities	-	-	-
Total	40	50	208

(Note) Apart from the above, Losses on valuation of shares of subsidiaries and associates of ¥186.3 billion was recorded under Extraordinary losses

Rules for recognition of impairment

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

(b) Impairment losses on fixed assets

(Yen in 100 millions)

	Year ended March 31, 2019	Six months ended September 30, 2019	Year ended March 31, 2020
Land	2	0	0
Buildings	2	0	4
Others	1	-	-
Total	6	0	4

(c) Unrealized gains and losses on investments in securities

(Yen in 100 millions)

	March 31, 2019	September 30, 2019	March 31, 2020
Domestic bonds	1,563	1,634	1,343
Domestic stocks	10,554	10,469	8,108
Foreign securities	121	198	35
Other securities	28	39	(8)
Total	12,267	12,341	9,478

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

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

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

(Yen in 100 millions)

	Year ended March 31, 2019	Six months ended September 30, 2019	Year ended March 31, 2020
Direct claims paid	2,980	35	1,781
Net claims paid	965	33	643
Outstanding claims	124	362	67

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

(e) Catastrophe reserve

(Yen in 100 millions)

Lines of insurance	March 31, 2019			September 30, 2019			March 31, 2020		
	Balance	Reserve Ratio	Provision	Balance	Reserve Ratio	Provision	Balance	Reserve Ratio	Provision
Fire and allied	890	44.9 %	413	1,003	43.8 %	113	998	48.6 %	632
Marine	813	130.6 %	14	821	128.4 %	8	813	131.4 %	15
Personal accident	771	51.0 %	47	796	51.7 %	24	748	51.0 %	46
Voluntary automobile	871	13.3 %	210	979	14.5 %	108	978	14.6 %	214
Other	1,878	70.9 %	98	1,935	65.5 %	57	1,907	68.4 %	106
Total	5,224	39.2 %	785	5,535	39.1 %	311	5,446	39.9 %	1,015

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

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

2. Provision = gross provision

(f) Reinsurance assumed

(Yen in 100 millions)

Lines of insurance	Year ended March 31, 2019		Year ended March 31, 2020	
	Net reinsurance assumed premiums written	Net reinsurance assumed claims paid	Net reinsurance assumed premiums written	Net reinsurance assumed claims paid
Fire and allied	318	187	321	138
Marine	154	63	183	96
Personal accident	13	6	31	17
Voluntary automobile	38	31	49	20
Compulsory automobile liability	1,307	1,329	1,366	1,256
Other	199	112	215	165
Total	2,032	1,732	2,166	1,694

(g) Reinsurance ceded

(Yen in 100 millions)

Lines of insurance	Year ended March 31, 2019		Year ended March 31, 2020	
	Net reinsurance ceded premiums written	Net reinsurance ceded claims paid	Net reinsurance ceded premiums written	Net reinsurance ceded claims paid
Fire and allied	1,284	2,164	1,504	1,934
Marine	360	258	411	243
Personal accident	107	52	135	63
Voluntary automobile	106	195	109	177
Compulsory automobile liability	1,223	1,216	1,220	1,171
Other	633	316	705	418
Total	3,715	4,203	4,087	4,009

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

1. Basic Information

(Yen in 100 millions)

	Year ended March 31, 2019 (A)	Six months ended September 30, 2019 (B)	Year ended March 31, 2020 (C)	Change (C) - (A)	Change (C) - (B)	
1	Net premiums written	12,335	6,568	12,767	431	-
	Change ratio	0.9 %	5.3 %	3.5 %	2.6 %	(1.8)%
2	Total assets	34,109	34,587	34,207	97	(380)
3	Net loss ratio	67.8 %	55.2%	62.0 %	(5.8)%	6.8 %
4	Net expense ratio	33.8 %	33.6%	34.5%	0.7 %	0.9 %
5	Combined ratio	101.6 %	88.8 %	96.5 %	(5.1)%	7.7 %
	Underwriting result ratio	(1.6)%	11.2 %	3.5 %	5.1 %	(7.7)%
6	Voluntary automobile insurance					
	Net premiums written	6,850	3,579	7,130	279	-
	Change ratio	0.1 %	3.4 %	4.1 %	4.0 %	0.7 %
	Underwriting result ratio	7.1 %	12.3 %	8.7 %	1.6 %	(3.6)%
	Net loss ratio	60.3 %	56.2 %	59.4 %	(0.9)%	3.2 %
	Net expense ratio	32.6 %	31.5 %	31.9 %	(0.7)%	0.4 %
7	Fire and allied insurance					
	Net premiums written	1,838	1,084	1,992	153	-
	Change ratio	5.4 %	19.6 %	8.4 %	3.0 %	(11.2)%
	Underwriting result ratio	(47.5)%	8.1 %	(17.3)%	30.2 %	(25.4)%
	Net loss ratio	106.5 %	51.1 %	73.8 %	(32.7)%	22.7 %
	Net expense ratio	41.0 %	40.8 %	43.5 %	2.5 %	2.7 %
8	Number of employees	13,657	13,915	13,775	118	(140)
9	Number of agencies	48,100	47,857	48,198	98	341

(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 40.

2. Other Information**(a) Impairment losses on securities**

(Yen in 100 millions)

	Year ended March 31, 2019	Six months ended September 30, 2019	Year ended March 31, 2020
Domestic bonds	-	-	-
Domestic stocks	20	27	109
Foreign securities	-	9	0
Other securities	-	-	-
Total	20	37	110

Rules for recognition of impairment

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

(b) Impairment losses on fixed assets

(Yen in 100 millions)

	Year ended March 31, 2019	Six months ended September 30, 2019	Year ended March 31, 2020
Land	7	0	0
Buildings	8	2	2
Others	-	-	-
Total	15	2	2

(c) Unrealized gains and losses on investments in securities

(Yen in 100 millions)

	March 31, 2019	September 30, 2019	March 31, 2020
Domestic bonds	644	678	540
Domestic stocks	3,960	3,881	2,910
Foreign securities	410	526	324
Other securities	47	43	(20)
Total	5,063	5,129	3,753

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

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

(Yen in 100 millions)

	Year ended March 31, 2019	Six months ended September 30, 2019	Year ended March 31, 2020
Direct claims paid	1,944	28	1,478
Net claims paid	956	27	553
Outstanding claims	62	253	40

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

(e) Catastrophe reserve

(Yen in 100 millions)

Lines of insurance	March 31, 2019			September 30, 2019			March 31, 2020		
	Balance	Reserve Ratio	Provision	Balance	Reserve Ratio	Provision	Balance	Reserve Ratio	Provision
Fire and allied	749	40.8 %	298	880	40.6 %	130	858	43.1 %	534
Marine	137	168.7 %	1	138	163.0 %	0	98	136.2 %	1
Personal accident	691	108.1 %	20	700	118.0 %	9	662	116.4 %	18
Voluntary automobile	533	7.8 %	219	647	9.1 %	114	571	8.0 %	228
Other	736	55.3 %	64	777	53.9 %	41	768	55.9 %	67
Total	2,848	26.5 %	604	3,145	27.5 %	296	2,959	26.6 %	849

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

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

2. Provision = gross provision

(f) Reinsurance assumed

(Yen in 100 millions)

Lines of insurance	Year ended March 31, 2019		Year ended March 31, 2020	
	Net reinsurance assumed premiums written	Net reinsurance assumed claims paid	Net reinsurance assumed premiums written	Net reinsurance assumed claims paid
Fire and allied	547	388	551	310
Marine	83	46	74	49
Personal accident	46	20	42	25
Voluntary automobile	272	176	398	204
Compulsory automobile liability	1,095	1,143	1,126	1,070
Other	263	136	216	87
Total	2,308	1,911	2,408	1,749

(g) Reinsurance ceded

(Yen in 100 millions)

Lines of insurance	Year ended March 31, 2019		Year ended March 31, 2020	
	Net reinsurance ceded premiums written	Net reinsurance ceded claims paid	Net reinsurance ceded premiums written	Net reinsurance ceded claims paid
Fire and allied	877	1,222	1,010	1,375
Marine	1	0	1	(0)
Personal accident	74	23	82	25
Voluntary automobile	26	76	27	98
Compulsory automobile liability	1,268	1,305	1,281	1,234
Other	419	169	373	209
Total	2,668	2,797	2,778	2,942

(Reference)

1. Main impact on the current earnings from stock markets plunge caused by the COVID-19 pandemic

Along with the global stock plunge caused by the COVID-19 pandemic, losses on asset management and overseas business investment occurred. Main impact on the current earnings is as follows.

- (1) Impairment losses on domestic listed stocks: 31.8 billion yen (Increased by 27.5 billion yen from the third quarter)**
- (2) One-time amortization of goodwill associated with an Australian equity-method affiliate, Challenger Limited (Losses on equity method investments): 36.6 billion yen**
- (3) Provision for losses on sales of shares related to the business integration of UK equity-method affiliate, ReAssure Group plc because of the decline in the market value (Extraordinary losses): 16.9 billion yen**

2. Temporary impact on the current earnings from reorganization of international business

The following contents released on November 19, 2019 are updated to reflect the subsequent changes.

(1) Outline of reorganization of international business

- To enhance Mitsui Sumitomo Insurance (“MSI”) Head Office’s business framework, International Department was reorganized to International Planning Department which was responsible for planning the overall strategy of international business, and International Business Department which oversaw regional strategies and business promotion and management. MSI Head Office departments such as Accounting Department, Investment Planning Department, Corporate Risk Management Department, and Information Technology Planning Department expanded support for international business.
- Regional Holding company framework, was terminated and in general international subsidiaries under each Regional Holding company became direct subsidiaries of MSI Head Office. The functions and authorities pertaining to the strategy planning at the regional holding companies were consolidated to MSI Head Office.

(2) Temporary impact on the current earnings from reorganization of international business

1. Goodwill, etc impairment loss: -171.9 billion yen (after tax impact -156.8 billion yen)

Along with the elimination of the regional holding companies and the transition to a structure under MSI’s direct management, the business classification for the purposes of determining MS Amlin goodwill, etc impairment was reexamined, and the Europe primary insurance business, the Lloyd’s business, and the reinsurance business which had been seen as one group under MS Amlin was treated as 3 groups.

Of the 3 groups, the Europe primary insurance business and the Lloyd’s business were less profitable than expected when acquired, so impairment losses were booked.

2. Reorganization-associated temporary expenses: -3.0 billion yen (after tax impact -2.6 billion yen)

3. Reorganization-associated tax expense decrease: +166.7 billion yen

Because of the transfer of the subsidiary shares held by the regional holding companies to MSI as an in-kind dividend in association with the reorganization into the International Business, there was a loss for tax purposes.