

[Attachment]

Explanatory Material for Business Results for the Six Months Ended September 30, 2020

November 19, 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.

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1. Summary of Consolidated Business Results

(1) Consolidated Business Results

(Yen in 100 millions)

	Items	Six months ended September 30, 2019	Six months ended September 30, 2020	Change	Change ratio
Net premiums written (non-life insurance)	1	19,268	18,690	(578)	(3.0)
Mitsui Sumitomo Insurance	2	8,033	8,061	27	0.3
Aioi Nissay Dowa Insurance	3	6,568	6,521	(46)	(0.7)
Simple sum	4	14,602	14,583	(18)	(0.1)
Mitsui Direct General Insurance	5	179	180	1	1.0
Overseas insurance subsidiaries	6	4,478	3,926	(552)	(12.3)
Insurance premiums (domestic life insurance)	7	7,332	5,410	(1,922)	(26.2)
Mitsui Sumitomo Aioi Life Insurance	8	2,579	2,531	(48)	(1.9)
Mitsui Sumitomo Primary Life Insurance	9	4,753	2,879	(1,873)	(39.4)
Ordinary profit	10	1,082	1,155	72	6.7
Net income attributable to owners of the parent	11	1,635	966	(669)	(40.9)
Mitsui Sumitomo Insurance	12	925	561	(364)	(39.3)
Aioi Nissay Dowa Insurance	13	110	52	(57)	(52.4)
Simple sum	14	1,036	614	(422)	(40.7)
Mitsui Direct General Insurance	15	13	21	7	58.6
Mitsui Sumitomo Aioi Life Insurance	16	51	88	36	71.1
Mitsui Sumitomo Primary Life Insurance	17	113	266	152	134.7
Overseas insurance subsidiaries	18	301	(114)	(415)	(138.0)
Others, consolidation adjustments, etc.	19	119	90	(28)	(24.2)

(Notes) 1. 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. The table below shows the figures excluding the following temporary factors from net income for six months ended September 30, 2019 and net income for six months ended September 30, 2020.

Six months ended September 30, 2019: After tax impact from reorganization of international business (including reversal of reserve for price fluctuation) on Mitsui Sumitomo Insurance of ¥65.2 billion.

Six months ended September 30, 2020: After tax impact from changes in calculation method of underwriting reserves for the period on Mitsui Sumitomo Insurance and Aioi Nissay Dowa Insurance of ¥ (22.7) billion and after tax impact related to introducing the consolidated tax return filing system of ¥19.6 billion.

Reference:	Items				
Net income excluding the temporary factors	20	983	996	13	1.4
Mitsui Sumitomo Insurance	21	535	704	168	31.5
Aioi Nissay Dowa Insurance	22	110	137	26	23.9
Simple sum	23	646	841	194	30.2

(Supplement 1) Incurred Losses Caused by the Spread of COVID-19

(Yen in 100 millions)

	Items	Six months ended September 30, 2020
Total	24	446
Mitsui Sumitomo Insurance	25	33
Aioi Nissay Dowa Insurance	26	37
Overseas insurance subsidiaries	27	376

(Note) The amounts include incurred losses of profit insurance (fire and allied insurance), guarantee and credit insurance, and event cancellation insurance, etc.

(Supplement 2) 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	Six months ended September 30, 2019	Six months ended September 30, 2020	Change
Total	28	677	558	(118)
Mitsui Sumitomo Insurance	29	396	342	(53)
Aioi Nissay Dowa Insurance	30	281	216	(64)

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

The figures in the tables below are presented as simple sum of Mitsui Sumitomo Insurance Co., Ltd. and Aioi Nissay Dowa Insurance Co., Ltd.

(Yen in 100 millions)

	Items	Six months ended September 30, 2019	Six months ended September 30, 2020	Change	Change ratio
(+)	Net premiums written	14,602	14,583	(18)	(0.1)
(-)	Net claims paid	7,344	7,173	(171)	(2.3)
(-)	Loss adjustment expenses	766	821	55	7.2
(-)	Commissions and collection expenses	2,700	2,800	100	3.7
(-)	Operating expenses and general and administrative expenses for underwriting	1,945	1,954	8	0.5
	Underwriting profit before movements in reserves	1,845	1,833	(12)	(0.7)
(-)	Movement in outstanding claims	476	498	21	4.6
(-)	Movement in ordinary underwriting reserves	632	661	29	4.7
(+)	Other	16	45	29	182.6
	Underwriting profit before movement in catastrophe reserve	752	718	(34)	(4.6)
(-)	Movement in catastrophe reserve	607	609	2	0.4
	Underwriting profit	145	108	(37)	(25.5)
(+)	Interest and dividends income	860	764	(95)	(11.1)
(-)	Transfer of investment income on deposit premiums from policyholders	235	218	(16)	(7.1)
	Net interest and dividends income (item 13 - item 14)	625	546	(79)	(12.7)
(+)	Gains/(losses) on sales of securities	305	320	14	4.7
(-)	Impairment losses on securities	88	36	(52)	(59.1)
(+)	Other	(112)	(50)	62	-
	Investment profit	730	780	49	6.8
(+)	Other ordinary profit/(loss)	(30)	(65)	(35)	-
	Ordinary profit	845	823	(22)	(2.7)
(+)	Extraordinary income/(losses):	(1,140)	(74)	1,066	-
	Gains/(losses) on reserve for price fluctuation	731	(29)	(760)	(104.0)
	Losses on valuation of shares of subsidiaries and associates	(1,863)	-	1,863	-
	Income before income/(loss) taxes	(294)	748	1,043	-
(-)	Income taxes	(1,331)	134	1,465	-
	Net income	1,036	614	(422)	(40.7)

Ratios	Net loss ratio	Note 1	28	55.6 %	54.8 %	(0.8) %
	Net expense ratio	Note 2	29	31.8 %	32.6 %	0.8 %
	Combined ratio	Note 3	30	87.4 %	87.4 %	0.0 %
Incurred losses (including loss adjustment expenses)		Note 4, 5	31	7,332	7,330	(1)
EI loss ratio		Note 4, 6	32	59.2 %	59.1 %	(0.1) %

- (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	Six months ended September 30, 2019	Six months ended September 30, 2020	Change	Change ratio
Amount of new policies ^(Note)	1	10,645	8,304	(2,340)	(22.0) %
Annualized premiums of new policies	2	146	123	(22)	(15.6) %
Amount of policies in force ^(Note)	3	(As of the beginning of the FY2020) 244,580	243,545	(Change from the beginning of the FY2020) (1,034)	(0.4) %
Annualized premiums for policies in force	4	(As of the beginning of the FY2020) 4,481	4,475	(Change from the beginning of the FY2020) (5)	(0.1) %
Insurance premiums	5	2,579	2,531	(48)	(1.9) %
Ordinary profit	6	96	140	43	44.9 %
Extraordinary income/(losses)	7	(5)	(5)	0	-
Net income	8	51	88	36	71.1 %

(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	Six months ended September 30, 2019	Six months ended September 30, 2020	Change	Change ratio
Amount of new policies ^(Note)	1	4,795	2,883	(1,912)	(39.9) %
Amount of policies in force ^(Note)	2	(As of the beginning of the FY2020) 65,140	67,427	(Change from the beginning of the FY2020) 2,287	3.5 %
Insurance premiums	3	4,753	2,879	(1,873)	(39.4) %
Ordinary profit	4	20	392	372	1,860.6 %
Extraordinary income/(losses)	5	135	(24)	(160)	(117.9) %
Net income	6	113	266	152	134.7 %

(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	Six months ended September 30, 2019	Six months ended September 30, 2020	Change	Change ratio %
Net premiums written	1	4,478	3,926	(552)	(12.3)
Asia	2	926	870	(56)	(6.1)
Europe	3	3,319	2,850	(469)	(14.1)
Americas	4	232	205	(26)	(11.6)
Net income/(loss) attributable to owners of the parent	5	301	(114)	(415)	(138.0)
Asia	6	93	148	54	58.7
Europe	7	137	(211)	(349)	(253.6)
Americas	8	15	12	(2)	(19.1)
International life insurance	9	54	(63)	(118)	(215.0)

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

(1) Business Results

(Yen in 100 millions)

	Items	Six months ended September 30, 2019	Six months ended September 30, 2020	Change	Change ratio %
(+)	Net premiums written	8,033	8,061	27	0.3
(-)	Net claims paid	4,044	3,958	(85)	(2.1)
(-)	Loss adjustment expenses	443	470	26	6.0
(-)	Commissions and collection expenses	1,419	1,485	66	4.7
(-)	Operating expenses and general and administrative expenses for underwriting	1,019	1,054	35	3.5
	Underwriting profit before movements in reserves	1,106	1,092	(14)	(1.3)
(-)	Movement in outstanding claims	334	234	(99)	(29.7)
(-)	Movement in ordinary underwriting reserves	256	335	78	30.8
(+)	Other	21	7	(13)	(65.2)
	Underwriting profit before movement in catastrophe reserve	536	529	(7)	(1.4)
(-)	Movement in catastrophe reserve	310	300	(9)	(3.2)
	Underwriting profit	226	228	2	1.0
(+)	Interest and dividends income	559	496	(62)	(11.2)
(-)	Transfer of investment income on deposit premiums from policyholders	155	145	(9)	(6.2)
	Net interest and dividends income (item 13 - item 14)	403	350	(53)	(13.1)
(+)	Gains/(losses) on sales of securities	210	215	4	2.2
(-)	Impairment losses on securities	50	10	(40)	(79.4)
(+)	Other	(59)	(7)	51	-
	Investment profit	504	547	43	8.6
(+)	Other ordinary profit/(loss)	(41)	(40)	0	-
	Ordinary profit	688	735	46	6.8
(+)	Extraordinary income/(losses):	(1,127)	(21)	1,106	-
	Gains/(losses) on reserve for price fluctuation	740	(20)	(760)	(102.7)
	Losses on valuation of shares of subsidiaries and associates	(1,863)	-	1,863	-
	Income/(loss) before income taxes	(438)	714	1,152	-
(-)	Income taxes	(1,364)	152	1,516	-
	Net income	925	561	(364)	(39.3)

Ratios	Net loss ratio	Note 1	28	55.9 %	54.9 %	(1.0) %
	Net expense ratio	Note 2	29	30.4 %	31.5 %	1.1 %
	Combined ratio	Note 3	30	86.3 %	86.4 %	0.1 %

Incurred losses (including loss adjustment expenses)	Note 4, 5	31	4,140	4,027	(112)	(2.7)
EI loss ratio	Note 4, 6	32	59.7 %	58.5 %	(1.2) %	

(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. 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.

(2) Premiums written

(Yen in 100 millions)

	Net premiums written				Direct premiums written (excluding deposit premiums from policyholders)			
	Six months ended September 30, 2019		Six months ended September 30, 2020		Six months ended September 30, 2019		Six months ended September 30, 2020	
	Amount	Change ratio %	Amount	Change ratio %	Amount	Change ratio %	Amount	Change ratio %
Fire and allied	1,146	12.5	1,270	10.8	1,733	14.0	1,901	9.7
Marine	319	(0.7)	269	(15.8)	467	5.6	415	(11.1)
Personal accident	769	(3.2)	765	(0.5)	823	(2.4)	782	(5.0)
Voluntary automobile	3,371	1.7	3,414	1.3	3,392	1.7	3,447	1.6
CALI	949	7.3	816	(14.1)	878	6.2	698	(20.5)
Other	1,477	2.7	1,526	3.3	1,712	3.4	1,841	7.5
Total	8,033	3.3	8,061	0.3	9,008	4.4	9,087	0.9

(3) Net claims paid

(Yen in 100 millions)

	Six months ended September 30, 2019			Six months ended September 30, 2020			
	Amount	Change ratio %	Net loss ratio %	Amount	Change ratio %	Net loss ratio %	Change %
Fire and allied	632	(19.4)	57.6	630	(0.3)	51.9	(5.7)
Marine	155	8.0	51.1	170	9.4	66.0	14.9
Personal accident	344	(2.4)	49.0	344	0.2	49.3	0.3
Voluntary automobile	1,659	(0.2)	57.5	1,523	(8.2)	53.6	(3.9)
CALI	626	(6.4)	72.8	536	(14.3)	73.5	0.7
Other	627	8.7	44.6	753	20.1	51.4	6.8
Total	4,044	(3.5)	55.9	3,958	(2.1)	54.9	(1.0)

(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)

	Six months ended September 30, 2019			Six months ended September 30, 2020		
	Incurred losses	Net claims paid	Outstanding claims	Incurred losses	Net claims paid	Outstanding claims
Fire and allied	341	20	320	312	73	239
Voluntary automobile	24	12	11	17	19	(1)
Other	30	1	29	11	5	6
Total	396	33	362	342	97	244

(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	Six months ended September 30, 2019			Six months ended September 30, 2020		
		Amount	Change	Change ratio %	Amount	Change	Change ratio %
Personnel expenses	1	827	(16)	(1.9)	819	(7)	(0.9)
Non-personnel expenses	2	628	13	2.1	700	71	11.4
Taxes and contributions	3	65	0	1.1	66	1	1.7
Total	4	1,521	(2)	(0.2)	1,586	64	4.3

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

<Expenses for underwriting>

(Yen in 100 millions)

	Items	Six months ended September 30, 2019			Six months ended September 30, 2020		
		Amount	Change	Change ratio %	Amount	Change	Change ratio %
Operating expenses and general and administrative expenses	5	1,019	(8)	(0.8)	1,054	35	3.5
Commissions and collection expenses	6	1,419	62	4.6	1,485	66	4.7
Total	7	2,438	54	2.3	2,540	101	4.2
Net expense ratio	8	30.4 %	(0.3) %		31.5 %	1.1 %	

(5) Outstanding claims

(Yen in 100 millions)

	September 30, 2019		September 30, 2020	
	Balance	Movement	Balance	
				Movement
Fire and allied	1,242	144	1,161	242
Marine	350	47	270	(26)
Personal accident	424	(6)	405	(37)
Voluntary automobile	2,522	12	2,371	(47)
CALI	464	(8)	484	36
Other	1,758	144	1,833	66
Total	6,762	334	6,527	234

(Note) Movement for the six months ended September 30, 2019 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)

	Six months ended September 30, 2019		Six months ended September 30, 2020			
	Incurred losses (including loss adjustment expenses)	EI loss ratio	Incurred losses (including loss adjustment expenses)	Change	EI loss ratio	Change
		%			%	%
Fire and allied	805	67.7	902	96	82.1	14.4
Marine	211	66.8	151	(59)	52.3	(14.5)
Personal accident	370	51.8	339	(30)	47.7	(4.1)
Voluntary automobile	1,950	58.3	1,782	(167)	52.4	(5.9)
Other	803	58.9	851	48	61.7	2.8
Total	4,140	59.7	4,027	(112)	58.5	(1.2)

(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)

		September 30, 2020				
		Total underwriting reserves	Ordinary underwriting reserves	Reserve for refunds and dividends to policyholders	Catastrophe reserve	Contingency reserve
Fire and allied	Balance	8,212	6,740	357	1,114	-
	Movement	85	170	(200)	115	-
Marine	Balance	1,063	258	-	804	-
	Movement	(26)	(18)	-	(8)	-
Personal accident	Balance	10,427	563	9,090	772	-
	Movement	(117)	41	(183)	24	-
Voluntary automobile	Balance	3,143	2,055	-	1,087	-
	Movement	120	11	-	109	-
CALI	Balance	2,840	2,840	-	-	-
	Movement	31	31	-	-	-
Other	Balance	5,421	2,893	559	1,968	-
	Movement	153	98	(5)	60	-
Total	Balance	31,107	15,352	10,007	5,747	-
	Movement	247	335	(388)	300	-

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

(8) Catastrophe reserve

(Yen in 100 millions)

	March 31, 2020		September 30, 2020			
	Balance	Reserve ratio	Reversal	Provision	Balance	Reserve ratio
		%				%
Fire and allied	998	48.6	-	115	1,114	43.9
Marine	813	131.4	15	6	804	149.5
Personal accident	748	51.0	-	24	772	50.5
Voluntary automobile	978	14.6	-	109	1,087	15.9
Other	1,907	68.4	0	60	1,968	64.5
Total	5,446	39.9	15	316	5,747	39.7

(Note) Reserve ratio = catastrophe reserve / net premiums written (excluding premiums of residential earthquake insurance and CALI) x 100
Reserve ratio for September 30, 2020 is calculated on an annualized basis using net premiums written multiplied by two as a denominator.

(9) Investment assets

(Yen in 100 millions)

	March 31, 2020	September 30, 2020	
			Change
Cash, deposits and savings	5,009	4,746	(263)
Investments in securities:	49,255	51,075	1,820
Domestic bonds	15,342	15,183	(159)
Domestic stocks	14,339	15,835	1,496
Foreign securities	18,948	19,386	437
Other securities	624	670	45
Loans	4,006	4,166	160
Land and buildings	1,900	1,881	(18)
Total	60,171	61,869	1,698

(Reference)

Long-term investment assets	10,394	10,005	(388)
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(Reference) Breakdown of domestic bonds

(Yen in 100 millions)

	March 31, 2020	September 30, 2020	
			Change
Government bonds	8,744	8,473	(270)
Municipal bonds	924	916	(8)
Corporate bonds:	5,674	5,793	119
Government agency bonds	902	877	(24)
Specific financial institution bonds	7	8	0
Other corporate bonds	4,764	4,907	143
Total	15,342	15,183	(159)

(10) Breakdown of interest and dividends income

(Yen in 100 millions)

	Six months ended September 30, 2019	Six months ended September 30, 2020	
			Change
Investments in securities:	505	447	(57)
Domestic bonds	82	75	(6)
Domestic stocks	248	220	(28)
Foreign securities	166	145	(21)
Other securities	7	6	(1)
Loans	15	13	(1)
Land and buildings	32	31	(1)
Other	6	3	(2)
Total	559	496	(62)

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

(Yen in 100 millions)

September 30, 2020	Cost	Fair value	Difference	Change from
				March 31, 2020
Domestic bonds	13,942	15,183	1,241	(102)
Domestic stocks	5,712	15,442	9,730	1,621
Foreign securities	4,852	5,039	187	152
Other securities	361	389	27	36
Total	24,868	36,055	11,187	1,708

(Yen in 100 millions)

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

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

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

Gains and losses on sales of securities

(Yen in 100 millions)

	Six months ended September 30, 2019 Gains/(losses)	Six months ended September 30, 2020		
		Gains/(losses)	Gains	Losses
Domestic bonds	24	1	2	0
Domestic stocks	160	176	179	2
Foreign securities	23	35	38	3
Other securities	2	0	0	-
Total	210	215	221	6

Impairment losses on securities

(Yen in 100 millions)

	Six months ended September 30, 2019	Six months ended September 30, 2020	
			Change
Domestic bonds	-	-	-
Domestic stocks	50	10	(40)
Foreign securities	0	-	(0)
Other securities	-	-	-
Total	50	10	(40)

(Note) Apart from the above, Losses on valuation of shares of subsidiaries and associates of ¥186.3 billion was recorded under Extraordinary losses in the six months ended September 30, 2019.

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

(1) Business Results

(Yen in 100 millions)

	Items	Six months ended September 30, 2019	Six months ended September 30, 2020	Change	Change ratio %
(+)	Net premiums written	6,568	6,521	(46)	(0.7)
(-)	Net claims paid	3,300	3,214	(85)	(2.6)
(-)	Loss adjustment expenses	322	351	28	8.8
(-)	Commissions and collection expenses	1,280	1,315	34	2.7
(-)	Operating expenses and general and administrative expenses for underwriting	925	899	(26)	(2.9)
	Underwriting profit before movements in reserves	738	740	2	0.3
(-)	Movement in outstanding claims	141	263	121	85.5
(-)	Movement in ordinary underwriting reserves	375	326	(49)	(13.1)
(+)	Other	(5)	38	43	-
	Underwriting profit before movement in catastrophe reserve	215	188	(26)	(12.5)
(-)	Movement in catastrophe reserve	296	308	12	4.2
	Underwriting profit/(loss)	(80)	(119)	(39)	-
(+)	Interest and dividends income	301	268	(33)	(11.0)
(-)	Transfer of investment income on deposit premiums from policyholders	79	72	(6)	(8.7)
	Net interest and dividends income (item 13 - item 14)	221	195	(26)	(11.8)
(+)	Gains/(losses) on sales of securities	95	104	9	10.3
(-)	Impairment losses on securities	37	25	(11)	(31.9)
(+)	Other	(53)	(42)	10	-
	Investment profit	226	232	6	2.7
(+)	Other ordinary profit/(loss)	11	(24)	(36)	(321.9)
	Ordinary profit	156	87	(69)	(44.2)
(+)	Extraordinary income/(losses):	(13)	(53)	(39)	-
	Gains/(losses) on reserve for price fluctuation	(8)	(8)	(0)	-
	Income before income taxes	143	34	(108)	(76.0)
(-)	Income taxes	32	(18)	(51)	(155.9)
	Net income	110	52	(57)	(52.4)

Ratios	Net loss ratio	Note 1	27	55.2 %	54.7 %	(0.5) %	
	Net expense ratio	Note 2	28	33.6 %	34.0 %	0.4 %	
	Combined ratio	Note 3	29	88.8 %	88.7 %	(0.1) %	

Incurred losses (including loss adjustment expenses)	Note 4, 5	30	3,192	3,303	111	3.5
EI loss ratio	Note 4, 6	31	58.6 %	59.8 %	1.2 %	

- (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 CALL.
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.

(2) Premiums written

(Yen in 100 millions)

	Net premiums written				Direct premiums written (excluding deposit premiums from policyholders)			
	Six months ended September 30, 2019		Six months ended September 30, 2020		Six months ended September 30, 2019		Six months ended September 30, 2020	
	Amount	Change ratio %	Amount	Change ratio %	Amount	Change ratio %	Amount	Change ratio %
Fire and allied	1,084	19.6	1,100	1.5	1,290	20.0	1,373	6.4
Marine	42	(4.7)	39	(6.7)	0	750.5	-	(100.0)
Personal accident	296	(11.1)	300	1.3	313	(9.2)	322	2.8
Voluntary automobile	3,579	3.4	3,641	1.7	3,384	1.8	3,480	2.8
CALI	843	6.0	735	(12.8)	924	7.7	743	(19.6)
Other	721	3.7	703	(2.4)	812	3.2	830	2.3
Total	6,568	5.3	6,521	(0.7)	6,726	5.3	6,751	0.4

(3) Net claims paid

(Yen in 100 millions)

	Six months ended September 30, 2019			Six months ended September 30, 2020			
	Amount	Change ratio %	Net loss ratio %	Amount	Change ratio %	Net loss ratio %	Change %
	Fire and allied	531	(16.1)	51.1	624	17.4	59.8
Marine	23	32.5	56.1	20	(13.0)	52.4	(3.7)
Personal accident	126	(3.6)	47.8	126	0.2	48.4	0.6
Voluntary automobile	1,796	0.6	56.2	1,640	(8.7)	51.5	(4.7)
CALI	534	(7.2)	69.4	452	(15.3)	67.6	(1.8)
Other	286	2.0	42.4	349	21.8	52.5	10.1
Total	3,300	(3.7)	55.2	3,214	(2.6)	54.7	(0.5)

(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)

	Six months ended September 30, 2019			Six months ended September 30, 2020		
	Incurred losses	Net claims paid	Outstanding claims	Incurred losses	Net claims paid	Outstanding claims
Fire and allied	246	15	231	197	74	122
Voluntary automobile	24	11	12	14	17	(2)
Other	9	0	9	4	2	2
Total	281	27	253	216	94	122

(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	Six months ended September 30, 2019			Six months ended September 30, 2020		
		Amount	Change	Change ratio %	Amount	Change	Change ratio %
Personnel expenses	1	637	15	2.4	629	(7)	(1.2)
Non-personnel expenses	2	594	64	12.2	619	24	4.1
Taxes and contributions	3	59	2	4.3	49	(9)	(16.8)
Total	4	1,290	82	6.8	1,298	7	0.6

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

<Expenses for underwriting>

(Yen in 100 millions)

	Items	Six months ended September 30, 2019			Six months ended September 30, 2020		
		Amount	Change	Change ratio %	Amount	Change	Change ratio %
Operating expenses and general and administrative expenses	5	925	81	9.6	899	(26)	(2.9)
Commissions and collection expenses	6	1,280	72	6.0	1,315	34	2.7
Total	7	2,206	153	7.5	2,214	8	0.4
Net expense ratio	8	33.6 %	0.7 %		34.0 %	0.4 %	

(5) Outstanding claims

(Yen in 100 millions)

	September 30, 2019		September 30, 2020	
	Balance	Movement	Balance	Movement
Fire and allied	1,212	107	1,303	269
Marine	80	(5)	68	3
Personal accident	238	7	246	2
Voluntary automobile	2,984	8	2,767	(74)
CALI	400	(11)	413	29
Other	1,119	35	1,108	33
Total	6,036	141	5,907	263

(Note) Movement for the six months ended September 30, 2019 is not consistent with the change from the balance on March 31, 2019 due to the effect of transfer the 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)

	Six months ended September 30, 2019		Six months ended September 30, 2020			
	Incurred losses (including loss adjustment expenses)	EI loss ratio	Incurred losses (including loss adjustment expenses)	Change	EI loss ratio	Change
		%			%	%
Fire and allied	661	67.9	927	265	96.9	29.0
Marine	18	48.7	24	5	69.4	20.7
Personal accident	149	53.3	147	(1)	51.3	(2.0)
Voluntary automobile	2,021	57.8	1,800	(221)	50.4	(7.4)
Other	341	52.1	403	61	60.2	8.1
Total	3,192	58.6	3,303	111	59.8	1.2

(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)

		September 30, 2020				
		Total underwriting reserves	Ordinary underwriting reserves	Reserve for refunds and dividends to policyholders	Catastrophe reserve	Contingency reserve
Fire and allied	Balance	6,800	5,423	349	1,023	4
	Movement	250	149	(64)	164	0
Marine	Balance	132	33	-	98	-
	Movement	0	0	-	(0)	-
Personal accident	Balance	3,850	239	2,934	671	4
	Movement	(57)	12	(80)	9	0
Voluntary automobile	Balance	2,791	2,065	37	688	0
	Movement	187	69	1	116	0
CALI	Balance	2,626	2,626	-	-	-
	Movement	47	47	-	-	-
Other	Balance	2,316	1,380	149	786	0
	Movement	64	47	(0)	18	0
Total	Balance	18,517	11,767	3,470	3,268	9
	Movement	492	326	(143)	308	0

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

(8) Catastrophe reserve

(Yen in 100 millions)

	March 31, 2020		September 30, 2020			
	Balance	Reserve ratio	Reversal	Provision	Balance	Reserve ratio
		%				%
Fire and allied	858	43.1	20	184	1,023	46.5
Marine	98	136.2	0	0	98	124.8
Personal accident	662	116.4	-	9	671	111.7
Voluntary automobile	571	8.0	-	116	688	9.5
Other	768	55.9	2	20	786	55.9
Total	2,959	26.6	23	332	3,268	28.2

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

Reserve ratio for September 30, 2020 is calculated on an annualized basis using net premiums written multiplied by two as a denominator.

(9) Investment assets

(Yen in 100 millions)

	March 31, 2020	September 30, 2020	
			Change
Cash, deposits and savings	1,765	1,743	(21)
Investments in securities:	23,176	24,294	1,118
Domestic bonds	8,290	7,830	(460)
Domestic stocks	6,969	8,124	1,154
Foreign securities	7,158	7,430	272
Other securities	757	908	151
Loans	2,181	2,256	75
Land and buildings	1,598	1,703	105
Total	28,721	29,998	1,276

(Reference)

Long-term investment assets	3,578	3,433	(145)
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(Reference) Breakdown of domestic bonds

(Yen in 100 millions)

	March 31, 2020	September 30, 2020	
			Change
Government bonds	4,870	4,484	(386)
Municipal bonds	366	436	69
Corporate bonds:	3,052	2,909	(142)
Government agency bonds	515	508	(7)
Specific financial institution bonds	54	44	(10)
Other corporate bonds	2,483	2,357	(125)
Total	8,290	7,830	(460)

(10) Breakdown of interest and dividends income

(Yen in 100 millions)

	Six months ended September 30, 2019	Six months ended September 30, 2020	
			Change
Investments in securities:	256	229	(27)
Domestic bonds	43	39	(3)
Domestic stocks	117	104	(12)
Foreign securities	71	75	4
Other securities	24	9	(14)
Loans	10	10	(0)
Land and buildings	23	23	(0)
Other	10	4	(5)
Total	301	268	(33)

(11) Investments in securities

Unrealized gains and losses on investments in securities

(Yen in 100 millions)

September 30, 2020	Cost	Fair value	Difference	Change from
				March 31, 2020
Domestic bonds	7,319	7,830	511	(28)
Domestic stocks	3,740	7,856	4,115	1,205
Foreign securities	6,000	6,536	535	211
Other securities	766	800	34	55
Total	17,827	23,024	5,197	1,443

(Yen in 100 millions)

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

(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)

	Six months ended September 30, 2019 Gains/(losses)	Six months ended September 30, 2020 Gains/(losses)	Six months ended September 30, 2020	
			Gains	Losses
Domestic bonds	17	9	10	0
Domestic stocks	64	47	47	0
Foreign securities	13	47	53	6
Other securities	-	-	-	-
Total	95	104	111	6

Impairment losses on securities

(Yen in 100 millions)

	Six months ended September 30, 2019	Six months ended September 30, 2020	Change
Domestic bonds	-	-	-
Domestic stocks	27	20	(7)
Foreign securities	9	4	(4)
Other securities	-	-	-
Total	37	25	(11)

4. Earnings Forecasts

(1) Consolidated Business Results

(Yen in 100 millions)

	Items	Results for year ended March 31, 2020	Initial forecasts for year ending March 31, 2021	Revised forecasts for year ending March 31, 2021	Change from the initial forecasts
Net premiums written (non-life insurance)	1	35,737	34,000	34,600	600
Mitsui Sumitomo Insurance	2	15,479	15,020	15,300	280
Aioi Nissay Dowa Insurance	3	12,767	12,420	12,700	280
Simple sum	4	28,247	27,440	28,000	560
Mitsui Direct General Insurance	5	363	366	365	(1)
Overseas insurance subsidiaries	6	7,119	6,190	6,230	40
Insurance premiums (domestic life insurance)	7	13,934	10,040	11,080	1,040
Mitsui Sumitomo Aioi Life Insurance	8	5,212	5,040	5,080	40
Mitsui Sumitomo Primary Life Insurance	9	8,721	5,000	6,000	1,000
Ordinary profit	10	1,577	1,700	2,000	300
Net income attributable to owners of the parent	11	1,430	1,300	1,400	100
Mitsui Sumitomo Insurance	12	940	760	920	160
Aioi Nissay Dowa Insurance	13	447	230	230	-
Simple sum	14	1,388	990	1,150	160
Mitsui Direct General Insurance	15	1	1	3	2
Mitsui Sumitomo Aioi Life Insurance	16	75	80	90	10
Mitsui Sumitomo Primary Life Insurance	17	203	150	200	50
Overseas insurance subsidiaries	18	361	120	30	(90)
Others, consolidation adjustments, etc.	19	(599)	(41)	(73)	(32)
Annual total of dividends per share	20	150.00 yen	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	
		Revised forecasts for year ending March 31, 2021	Change from the initial forecasts	Revised forecasts for year ending March 31, 2021	Change from the initial forecasts	Revised forecasts for year ending March 31, 2021	Change from the initial forecasts
Net premiums written	1	28,000	560	15,300	280	12,700	280
Growth rate of net premiums written	2	(0.9) %	2.0 %	(1.2) %	1.8 %	(0.5) %	2.2 %
Net loss ratio ^(Note 1)	3	60.3 %	(1.5) %	59.5 %	(1.7) %	61.1 %	(1.5) %
Net expense ratio ^(Note 2)	4	34.2 %	(0.9) %	33.5 %	(1.0) %	35.0 %	(0.7) %
Combined ratio ^(Note 3)	5	94.5 %	(2.4) %	93.0 %	(2.7) %	96.1 %	(2.2) %
EI loss ratio ^(Note 4, 5)	6	59.0 %	(0.3) %	58.0 %	(0.1) %	60.2 %	(0.6) %
Underwriting profit	7	570	20	490	10	80	10
Investment profit	8	1,260	350	960	210	300	140
Ordinary profit	9	1,680	280	1,340	200	340	80
Net income	10	1,150	160	920	160	230	-

(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 ¥37.5 billion at Mitsui Sumitomo Insurance Co., Ltd. and ¥22.5 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 September 30, 2020.
- Incurred losses caused by the spread of COVID-19 are estimated to be ¥48.0 billion.

As for the impact of COVID-19, we mainly expect an increase of approximately ¥39.0 billion in incurred losses in international business, and a decrease of approximately ¥28.0 billion in investment gains and losses in domestic business.

The impact on net income is expected to be approximately ¥ (57.0) 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)

	Six months ended September 30, 2019	Six months ended September 30, 2020	Change	Change ratio
Ordinary income and expenses:				
Underwriting income:	25,481	19,944	(5,536)	(21.7) %
Net premiums written	19,268	18,690	(578)	(3.0)
Deposit premiums from policyholders	419	447	28	6.7
Life insurance premiums	5,554	566	(4,988)	(89.8)
Underwriting expenses:	21,765	22,104	339	1.6
Net claims paid	9,396	9,080	(315)	(3.4)
Loss adjustment expenses	861	921	60	7.0
Commissions and collection expenses	3,691	3,650	(40)	(1.1)
Maturity refunds to policyholders	1,013	1,127	113	11.2
Life insurance claims	1,944	1,576	(368)	(18.9)
Provision for outstanding claims	622	803	180	28.9
Provision for underwriting reserves	4,122	4,799	677	16.4
Investment income:	2,959	7,319	4,360	147.4
Interest and dividends income	1,524	1,507	(17)	(1.1)
Investment gains on money trusts	424	1,336	911	214.6
Investment gains on trading securities	447	226	(220)	(49.3)
Gains on sales of securities	382	798	415	108.6
Investment gains on separate accounts	374	1,484	1,109	296.3
Investment expenses:	2,217	602	(1,614)	(72.8)
Investment losses on money trusts	285	202	(82)	(29.0)
Losses on sales of securities	37	44	7	18.7
Impairment losses on securities	72	79	6	9.6
Losses on derivative transactions	209	261	51	24.6
Operating expenses and general and administrative expenses	3,398	3,306	(92)	(2.7)
Other ordinary income and expenses:	24	(95)	(119)	(489.0)
Gains/(losses) on equity method investments	36	(64)	(101)	(276.4)
Ordinary profit	1,082	1,155	72	6.7
Extraordinary income and losses:				
Extraordinary income	958	85	(872)	(91.1)
Extraordinary losses	1,766	113	(1,652)	(93.6)
Extraordinary income/(losses)	(807)	(28)	779	—
Income before income taxes	275	1,126	851	309.5
Income taxes - current	429	502	73	17.1
Income taxes - deferred	(1,804)	(361)	1,443	—
Total income taxes	(1,375)	140	1,516	—
Net income	1,650	986	(664)	(40.3)
Net income attributable to non-controlling interests	15	19	4	30.4
Net income attributable to owners of the parent	1,635	966	(669)	(40.9)

(Notes) 1. Extraordinary income for the six months ended September 30, 2019 includes reversal of reserve for price fluctuation of ¥86.2 billion.

2. Extraordinary losses for the six months ended September 30, 2019 include impairment losses of ¥175.6 billion.

3. Total income taxes for the six months ended September 30, 2019 include a decrease of ¥170.5 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	Six months ended September 30, 2019			Six months ended September 30, 2020		
	Amount	Share (%)	Change ratio (%)	Amount	Share (%)	Change ratio (%)
Fire and allied	405,441	19.9	12.0	424,534	21.0	4.7
Marine	110,560	5.4	1.3	112,484	5.6	1.7
Personal accident	165,790	8.1	(2.3)	159,881	7.9	(3.6)
Voluntary automobile	802,275	39.3	1.3	807,314	40.0	0.6
CALI	180,313	8.8	7.0	144,237	7.2	(20.0)
Other	377,319	18.5	(0.5)	369,406	18.3	(2.1)
Total:	2,041,701	100.0	3.1	2,017,859	100.0	(1.2)
Deposit premiums from policyholders	41,926	2.1	(1.1)	44,755	2.2	6.7

Net Premiums Written by Line of Insurance

(Yen in millions)

Lines of Insurance	Six months ended September 30, 2019			Six months ended September 30, 2020		
	Amount	Share (%)	Change ratio (%)	Amount	Share (%)	Change ratio (%)
Fire and allied	346,238	18.0	11.4	338,165	18.1	(2.3)
Marine	87,759	4.5	(2.0)	86,815	4.7	(1.1)
Personal accident	132,458	6.9	(4.7)	121,897	6.5	(8.0)
Voluntary automobile	836,581	43.4	2.4	830,019	44.4	(0.8)
CALI	179,522	9.3	6.7	155,338	8.3	(13.5)
Other	344,271	17.9	(1.2)	336,780	18.0	(2.2)
Total	1,926,832	100.0	2.9	1,869,016	100.0	(3.0)

Net Claims Paid by Line of Insurance

(Yen in millions)

Lines of Insurance	Six months ended September 30, 2019			Six months ended September 30, 2020		
	Amount	Share (%)	Change ratio (%)	Amount	Share (%)	Change ratio (%)
Fire and allied	165,592	17.6	(17.4)	172,183	18.9	4.0
Marine	38,668	4.1	1.5	37,042	4.1	(4.2)
Personal accident	55,774	5.9	2.8	57,834	6.4	3.7
Voluntary automobile	422,829	45.0	(0.5)	384,776	42.4	(9.0)
CALI	116,324	12.4	(6.8)	99,161	10.9	(14.8)
Other	140,411	15.0	7.3	157,033	17.3	11.8
Total	939,601	100.0	(3.5)	908,031	100.0	(3.4)

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

(3) Investments in Securities

1. Trading securities

(Yen in millions)

	March 31, 2020		September 30, 2020	
	Carrying amount	Unrealized gains/(losses) included in income	Carrying amount	Unrealized gains/(losses) included in income
Trading securities	2,949,868	(107,583)	2,926,131	122,024

(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, 2020			September 30, 2020		
	Carrying amount	Fair value	Difference	Carrying amount	Fair value	Difference
Domestic Bonds	1,095,428	1,311,673	216,244	1,094,024	1,293,313	199,289
Foreign Securities	4,003	4,066	62	3,844	3,899	55
Other Securities	13,108	13,108	-	7,145	7,145	-
Total	1,112,541	1,328,848	216,307	1,105,014	1,304,358	199,344

(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, 2020			September 30, 2020		
	Carrying amount	Fair value	Difference	Carrying amount	Fair value	Difference
Domestic Bonds	1,020,255	1,089,940	69,684	1,265,453	1,286,829	21,375
Foreign Securities	1,382,664	1,523,118	140,453	1,376,319	1,557,074	180,755
Total	2,402,920	2,613,059	210,138	2,641,772	2,843,903	202,130

4. Available-for-sale securities

(Yen in millions)

Items	March 31, 2020			September 30, 2020		
	Cost	Carrying amount	Difference	Cost	Carrying amount	Difference
Domestic Bonds	3,429,477	3,700,304	270,827	3,359,005	3,604,882	245,877
Domestic Stocks	1,018,732	2,065,614	1,046,882	1,000,093	2,330,213	1,330,119
Foreign Securities	2,578,973	2,651,182	72,209	2,819,150	2,973,840	154,690
Other Securities	274,406	269,561	(4,845)	243,572	251,161	7,588
Total	7,301,590	8,686,663	1,385,073	7,421,822	9,160,098	1,738,275

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

For the six months ended September 30, 2020: ¥4,930 million (comprised of ¥2,100 million on Domestic stocks and ¥2,830 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, 2020	September 30, 2020
(Assets)		
Cash, deposits and savings	489,791	458,626
Receivables under resale agreements	-	1,999
Monetary claims bought	8,217	10,201
Money trusts	2,961	3,814
Investments in securities	4,925,543	5,107,553
Loans	400,609	416,637
Tangible fixed assets	209,951	207,305
Intangible fixed assets	98,478	99,465
Other assets	419,666	377,952
Deferred tax assets	111,516	62,787
Customers' liabilities under acceptances and guarantees	25,987	21,847
Bad debt reserve	(6,635)	(6,510)
Total assets	6,686,089	6,761,680
(Liabilities)		
Policy liabilities:	3,715,273	3,763,504
Outstanding claims	629,241	652,730
Underwriting reserves	3,086,032	3,110,773
Bonds issued	587,093	587,093
Other liabilities:	566,927	558,761
Income taxes payable	3,744	14,054
Lease obligations	1,297	1,423
Asset retirement obligations	3,913	3,932
Other liabilities	557,973	539,351
Reserve for pension and retirement benefits	120,827	118,838
Reserve for retirement benefits for officers	316	274
Accrued bonuses for employees	10,633	10,076
Reserves under the special laws:	19,007	21,041
Reserve for price fluctuation	19,007	21,041
Acceptances and guarantees	25,987	21,847
Total liabilities	5,046,067	5,081,438
(Net assets)		
Common stock	139,595	139,595
Capital surplus	93,107	93,107
Retained earnings	698,675	618,840
Total shareholders' equity	931,378	851,544
Net unrealized gains/(losses) on investments in securities	683,030	804,736
Net deferred gains/(losses) on hedges	25,613	23,960
Total valuation and translation adjustments	708,643	828,697
Total net assets	1,640,022	1,680,241
Total liabilities and net assets	6,686,089	6,761,680

Non-Consolidated Statements of Income

(Yen in millions)

Items	Six months ended September 30, 2019	Six months ended September 30, 2020
Ordinary income:	915,342	917,243
Underwriting income:	848,718	853,844
Net premiums written	803,373	806,157
Deposit premiums from policyholders	29,800	33,084
Investment income on deposit premiums from policyholders	15,527	14,563
Investment income:	64,576	61,210
Interest and dividends income	55,915	49,642
Investment gains on money trusts	81	859
Gains on sales of securities	22,535	22,153
Transfer of investment income on deposit premiums from policyholders	(15,527)	(14,563)
Other ordinary income	2,047	2,188
Ordinary expenses:	846,452	843,698
Underwriting expenses:	723,688	724,527
Net claims paid	404,470	395,872
Loss adjustment expenses	44,367	47,045
Commissions and collection expenses	141,927	148,528
Maturity refunds to policyholders	72,747	82,796
Provision for outstanding claims	33,436	23,489
Provision for underwriting reserves	25,381	24,741
Investment expenses:	10,034	2,511
Losses on sales of securities	1,483	642
Impairment losses on securities	5,064	1,044
Operating expenses and general and administrative expenses	107,811	111,614
Other ordinary expenses:	4,917	5,045
Interest expense	4,667	4,955
Ordinary profit	68,890	73,544
Extraordinary income	74,177	365
Extraordinary losses	186,895	2,477
Income/(loss) before income taxes	(43,828)	71,432
Income taxes - current	23,302	12,992
Income taxes - deferred	(159,716)	2,273
Total income taxes	(136,413)	15,265
Net income	92,584	56,167

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, 2020	September 30, 2020
(A) Total amount of solvency margin	3,076,392	3,184,408
Total net assets	879,578	816,503
Reserve for price fluctuation	19,007	21,041
Contingency reserve	-	-
Catastrophe reserve	550,227	580,446
General bad debt reserve	86	90
Net unrealized gains/(losses) on investments in securities and net deferred gains/(losses) on hedges (prior to tax effect deductions)	852,586	1,004,598
Net unrealized gains/(losses) on land	54,618	65,701
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	3,642	3,642
Others	236,835	212,574
(B) Total amount of risks $\sqrt{(R_1 + R_2)^2 + (R_3 + R_4)^2} + R_5 + R_6$	877,260	881,724
General insurance risk (R ₁)	136,088	136,764
Insurance risk of third sector insurance contracts (R ₂)	-	-
Assumed interest rate risk (R ₃)	13,475	13,264
Asset management risk (R ₄)	700,269	724,379
Business administration risk (R ₅)	19,617	19,723
Catastrophe risk (R ₆)	131,040	111,784
(C) Solvency margin ratio [(A) / {(B) x 1/2}] x 100	701.3 %	722.3 %

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

(Yen in millions)

Items	March 31, 2020	September 30, 2020
(Assets)		
Cash, deposits and savings	174,108	172,005
Money trusts	2,441	2,379
Investments in securities	2,317,658	2,429,489
Loans	218,147	225,653
Tangible fixed assets	182,184	183,750
Intangible fixed assets	55,884	59,965
Other assets	381,021	378,095
Prepaid pension expenses	19,427	19,689
Deferred tax assets	63,162	41,185
Customers' liabilities under acceptances and guarantees	7,500	7,500
Bad debt reserve	(804)	(797)
Total assets	3,420,733	3,518,918
(Liabilities)		
Policy liabilities:	2,366,879	2,442,505
Outstanding claims	564,436	590,766
Underwriting reserves	1,802,443	1,851,739
Bonds issued	72,000	72,000
Other liabilities:	265,188	195,571
Income taxes payable	10,090	18,500
Lease obligations	2	1
Asset retirement obligations	891	881
Other liabilities	254,203	176,188
Reserve for pension and retirement benefits	34,378	35,690
Accrued bonuses for employees	6,619	6,344
Reserves under the special laws:	30,088	30,954
Reserve for price fluctuation	30,088	30,954
Acceptances and guarantees	7,500	7,500
Total liabilities	2,782,654	2,790,566
(Net assets)		
Common stock	100,005	100,005
Capital surplus	81,207	81,207
Retained earnings	185,491	172,060
Total shareholders' equity	366,703	353,273
Net unrealized gains/(losses) on investments in securities	271,374	375,078
Total valuation and translation adjustments	271,374	375,078
Total net assets	638,078	728,351
Total liabilities and net assets	3,420,733	3,518,918

Non-Consolidated Statements of Income

(Yen in millions)

Items	Six months ended September 30, 2019	Six months ended September 30, 2020
Ordinary income:	713,720	704,705
Underwriting income:	677,038	671,222
Net premiums written	656,834	652,171
Deposit premiums from policyholders	12,125	11,670
Investment income on deposit premiums from policyholders	7,982	7,286
Investment income:	32,233	30,845
Interest and dividends income	30,155	26,839
Investment gains on money trusts	1	0
Gains on sales of securities	9,864	11,190
Transfer of investment income on deposit premiums from policyholders	(7,982)	(7,286)
Other ordinary income	4,447	2,636
Ordinary expenses:	698,021	695,949
Underwriting expenses:	592,805	595,142
Net claims paid	330,023	321,465
Loss adjustment expenses	32,283	35,139
Commissions and collection expenses	128,075	131,562
Maturity refunds to policyholders	28,624	29,911
Provision for outstanding claims	14,192	26,329
Provision for underwriting reserves	54,866	49,295
Investment expenses:	7,113	5,035
Losses on sales of securities	345	692
Impairment losses on securities	3,761	2,563
Operating expenses and general and administrative expenses	96,806	94,684
Other ordinary expenses:	1,295	1,086
Interest expense	221	392
Ordinary profit	15,699	8,755
Extraordinary income	25	65
Extraordinary losses	1,387	5,379
Income before income taxes	14,336	3,441
Income taxes - current	12,241	16,393
Income taxes - deferred	(8,970)	(18,222)
Total income taxes	3,271	(1,829)
Net income	11,064	5,270

Non-Consolidated Solvency Margin Ratio

(Yen in millions)

	March 31, 2020	September 30, 2020
(A) Total amount of solvency margin	1,148,081	1,306,154
Total net assets	348,002	342,734
Reserve for price fluctuation	30,088	30,954
Contingency reserve	906	988
Catastrophe reserve	299,132	330,094
General bad debt reserve	123	155
Net unrealized gains/(losses) on investments in securities and net deferred gains/(losses) on hedges (prior to tax effect deductions)	338,684	468,198
Net unrealized gains/(losses) on land	27,385	36,127
Excess of policyholders' contract deposits (a)	-	-
Subordinated debts, etc. (b)	58,800	54,400
Amount excluded from the margin, out of (a) and (b)	-	-
Deductions	4,269	4,569
Others	49,228	47,070
(B) Total amount of risks $\sqrt{(R_1 + R_2)^2 + (R_3 + R_4)^2} + R_5 + R_6$	326,916	348,357
General insurance risk (R ₁)	114,413	115,379
Insurance risk of third sector insurance contracts (R ₂)	-	-
Assumed interest rate risk (R ₃)	6,634	6,445
Asset management risk (R ₄)	194,535	218,772
Business administration risk (R ₅)	8,060	8,547
Catastrophe risk (R ₆)	87,425	86,757
(C) Solvency margin ratio [(A) / {(B) x 1/2}] x 100	702.3 %	749.8 %

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

(Yen in millions)

Items	March 31, 2020	September 30, 2020
(Assets)		
Cash, deposits and savings	12,133	12,522
Investments in securities	35,972	37,753
Tangible fixed assets	447	403
Intangible fixed assets	5,880	5,197
Other assets	5,339	4,915
Bad debt reserve	(4)	(2)
Total assets	59,768	60,790
(Liabilities)		
Policy liabilities:	43,705	42,594
Outstanding claims	22,946	22,292
Underwriting reserves	20,759	20,301
Other liabilities:	1,405	1,248
Income taxes payable	95	335
Asset retirement obligations	18	18
Other liabilities	1,291	894
Reserve for pension and retirement benefits	219	249
Accrued bonuses for employees	288	169
Reserves under the special laws:	79	83
Reserve for price fluctuation	79	83
Deferred tax liabilities	50	28
Total liabilities	45,750	44,372
(Net assets)		
Common stock	39,106	39,106
Capital surplus	9,006	9,006
Retained earnings	(34,083)	(31,694)
Total shareholders' equity	14,028	16,417
Net unrealized gains/(losses) on investments in securities	(10)	0
Total valuation and translation adjustments	(10)	0
Total net assets	14,017	16,417
Total liabilities and net assets	59,768	60,790

Non-Consolidated Statements of Income

(Yen in millions)

Items	Six months ended September 30, 2019	Six months ended September 30, 2020
Ordinary income:	19,127	19,230
Underwriting income:	19,100	19,199
Net premiums written	17,901	18,076
Investment income on deposit premiums from policyholders	11	11
Reversal of outstanding claims	396	653
Reversal of underwriting reserves	790	458
Investment income:	15	16
Interest and dividends income	26	27
Transfer of investment income on deposit premiums from policyholders	(11)	(11)
Other ordinary income	11	14
Ordinary expenses:	17,553	16,620
Underwriting expenses:	13,003	11,452
Net claims paid	11,536	9,918
Loss adjustment expenses	1,304	1,369
Commissions and collection expenses	162	165
Investment expenses	-	-
Operating expenses and general and administrative expenses	4,548	5,166
Other ordinary expenses	1	1
Ordinary profit	1,574	2,610
Extraordinary income	-	-
Extraordinary losses	3	4
Income before income taxes	1,570	2,605
Income taxes - current	79	239
Income taxes - deferred	(15)	(22)
Total income taxes	64	216
Net income	1,506	2,389

Non-Consolidated Solvency Margin Ratio

(Yen in millions)

	March 31, 2020	September 30, 2020
(A) Total amount of solvency margin	15,305	17,276
Total net assets	14,028	16,417
Reserve for price fluctuation	79	83
Contingency reserve	0	0
Catastrophe reserve	1,205	774
General bad debt reserve	2	0
Net unrealized gains/(losses) on investments in securities and net deferred gains/(losses) on hedges (prior to tax effect deductions)	(10)	0
Net unrealized gains/(losses) on land	-	-
Excess of policyholders' contract deposits (a)	-	-
Subordinated debts, etc. (b)	-	-
Amount excluded from the margin, out of (a) and (b)	-	-
Deductions	-	-
Others	-	-
(B) Total amount of risks $\sqrt{(R_1 + R_2)^2 + (R_3 + R_4)^2} + R_5 + R_6$	5,809	5,817
General insurance risk (R ₁)	5,227	5,227
Insurance risk of third sector insurance contracts (R ₂)	-	-
Assumed interest rate risk (R ₃)	0	0
Asset management risk (R ₄)	955	995
Business administration risk (R ₅)	194	195
Catastrophe risk (R ₆)	300	300
(C) Solvency margin ratio [(A) / {(B) x 1/2}] x 100	526.9 %	593.9 %

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

(Yen in millions)

Items	March 31, 2020	September 30, 2020
(Assets)		
Cash, deposits and savings	196,400	122,419
Receivables under resale agreements	407,722	365,403
Investments in securities	3,757,612	4,005,060
Loans	63,130	60,657
Tangible fixed assets	4,345	3,781
Intangible fixed assets	32,841	30,770
Due from agencies	1,996	1,635
Reinsurance accounts receivable	868	116
Other assets	45,651	41,216
Bad debt reserve	(97)	(86)
Total assets	4,510,472	4,630,975
(Liabilities)		
Policy liabilities:	3,779,645	3,892,915
Outstanding claims	31,886	31,399
Underwriting reserves	3,737,682	3,851,539
Reserve for dividends to policyholders	10,077	9,977
Due to agencies	3,623	3,300
Reinsurance accounts payable	291	290
Other liabilities:	449,640	455,483
Payables under repurchase agreements	412,965	368,564
Payables under securities lending transactions	25,072	76,070
Income taxes payable	532	2,998
Lease obligations	1,296	869
Asset retirement obligations	437	430
Other liabilities	9,336	6,549
Reserve for pension and retirement benefits	3,856	4,141
Reserve for retirement benefits for officers	9	8
Reserves under the special laws:	8,725	9,223
Reserve for price fluctuation	8,725	9,223
Deferred tax liabilities	3,891	2,883
Total liabilities	4,249,683	4,368,247
(Net assets)		
Common stock	85,500	85,500
Capital surplus	93,688	93,688
Retained earnings	19,000	22,961
Total shareholders' equity	198,188	202,149
Net unrealized gains/(losses) on investments in securities	62,599	60,579
Total valuation and translation adjustments	62,599	60,579
Total net assets	260,788	262,728
Total liabilities and net assets	4,510,472	4,630,975

Non-Consolidated Statements of Income

(Yen in millions)

Items	Six months ended September 30, 2019	Six months ended September 30, 2020
Ordinary income:	293,429	283,118
Insurance premiums and others:	264,783	253,314
Insurance premiums	257,957	253,133
Investment income:	26,323	27,025
Interest and dividends income	23,234	24,670
Gains on sales of securities	3,059	1,983
Gains on derivative transactions	19	314
Other ordinary income:	2,322	2,778
Reversal of outstanding claims	1,457	486
Ordinary expenses:	283,756	269,098
Insurance claims and others:	116,347	107,106
Insurance claims	21,757	22,224
Annuity payments	9,207	9,366
Benefits	14,403	14,997
Surrender benefits	61,171	57,836
Other refunds	2,052	1,862
Provision for underwriting reserves and others:	117,404	113,856
Provision for underwriting reserves	117,404	113,856
Provision for interest portion of reserve for dividends to policyholders	0	0
Investment expenses:	611	157
Losses on sales of securities	588	137
Operating expenses	41,073	38,909
Other ordinary expenses	8,319	9,067
Ordinary profit	9,673	14,020
Extraordinary income	0	0
Extraordinary losses	531	517
Provision for reserve for dividends to policyholders	2,179	1,501
Income before income taxes	6,961	12,001
Income taxes - current	2,665	3,397
Income taxes - deferred	(863)	(221)
Total income taxes	1,802	3,176
Net income	5,159	8,825

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

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

	March 31, 2020		September 30, 2020	
	Number of policies (in thousands)	Amount	Number of policies (in thousands)	Amount
Individual insurance	3,726	237,974	3,770	237,024
Individual annuities	171	6,605	168	6,520
Group insurance	-	88,884	-	90,302
Group annuities	-	2	-	3

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

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

(2) New policies (Yen in 100 millions)

	Six months ended September 30, 2019				Six months ended September 30, 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	164	10,615	10,615	-	120	8,282	8,282	-
Individual annuities	0	29	29	-	0	22	22	-
Group insurance	-	486	486	-	-	494	494	-
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, 2020	September 30, 2020
Individual insurance	4,075	4,066
Individual annuities	406	409
Total:	4,481	4,475
Medical coverage, living benefits, etc.	1,381	1,419

(2) New policies (Yen in 100 millions)

	Six months ended September 30, 2019	Six months ended September 30, 2020
Individual insurance	145	122
Individual annuities	1	0
Total:	146	123
Medical coverage, living benefits, etc.	102	69

(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)

	Six months ended September 30, 2019	Six months ended September 30, 2020	Change
Fundamental revenues:	290,357	280,808	(9,548)
Insurance premiums and others	264,783	253,314	(11,468)
Fundamental expenses	282,194	268,612	(13,581)
Fundamental profit	8,163	12,196	4,033
Capital gains/(losses)	2,493	2,160	(333)
Non-recurring gains/(losses)	(984)	(336)	647
Ordinary profit	9,673	14,020	4,347
Extraordinary income	0	0	0
Extraordinary losses	531	517	(14)
Provision for reserve for dividends to policyholders	2,179	1,501	(678)
Income taxes	1,802	3,176	1,374
Net income	5,159	8,825	3,665

Non-Consolidated Solvency Margin Ratio

(Yen in millions)

	March 31, 2020	September 30, 2020
(A) Total amount of solvency margin	492,307	500,109
Total capital	193,323	199,331
Reserve for price fluctuation	8,725	9,223
Contingency reserve	38,888	39,236
General bad debt reserve	3	3
Net unrealized gains/(losses) on investments in securities and net deferred gains/(losses) on hedges (prior to tax effect deductions) x 90%	78,249	75,723
Net unrealized gains/(losses) on land x 85%	-	-
Excess of continued Zillmerized reserve (a)	168,067	168,364
Subordinated debts, etc. (b)	-	-
Amount excluded from the margin, out of (a) and (b)	-	-
Brought in capital	-	-
Deductions	-	-
Others	5,048	8,225
(B) Total amount of risks $\sqrt{(R_1 + R_8)^2 + (R_2 + R_3 + R_7)^2} + R_4$	63,551	65,374
Insurance risk (R ₁)	18,352	18,344
Insurance risk of third sector insurance contracts (R ₈)	16,532	16,839
Assumed interest rate risk (R ₂)	3,210	3,228
Minimum guarantee risk (R ₇)	-	-
Asset management risk (R ₃)	47,841	49,765
Business administration risk (R ₄)	1,718	1,763
(C) Solvency margin ratio [(A) / {(B) x 1/2}] x 100	1,549.3 %	1,529.9 %

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

(Yen in millions)

Items	March 31, 2020	September 30, 2020
(Assets)		
Cash, deposits and savings	399,783	424,841
Monetary claims bought	100,995	83,989
Money trusts	1,660,997	1,922,117
Investments in securities	4,342,621	4,399,418
Loans	215,294	237,786
Tangible fixed assets	1,046	975
Intangible fixed assets	12,565	12,468
Reinsurance accounts receivable	8,971	9,983
Other assets	29,497	22,957
Deferred tax assets	43,132	23,633
Total assets	6,814,907	7,138,171
(Liabilities)		
Policy liabilities:	6,463,416	6,707,969
Outstanding claims	19,394	18,244
Underwriting reserves	6,444,021	6,689,724
Due to agencies	3,581	3,251
Reinsurance accounts payable	4,997	8,402
Other liabilities:	68,587	67,833
Income taxes payable	1,396	5,170
Lease obligations	881	716
Asset retirement obligations	177	178
Other liabilities	66,132	61,767
Reserves under the special laws:	79,500	81,928
Reserve for price fluctuation	79,500	81,928
Total liabilities	6,620,083	6,869,385
(Net assets)		
Common stock	41,060	41,060
Capital surplus	24,735	24,735
Retained earnings	117,883	140,307
Total shareholders' equity	183,678	206,102
Net unrealized gains/(losses) on investments in securities	(5,340)	49,486
Net deferred gains/(losses) on hedges	16,486	13,197
Total valuation and translation adjustments	11,145	62,683
Total net assets	194,823	268,786
Total liabilities and net assets	6,814,907	7,138,171

Non-Consolidated Statements of Income

(Yen in millions)

Items	Six months ended September 30, 2019	Six months ended September 30, 2020
Ordinary income:	595,350	917,919
Insurance premiums and others:	495,443	360,285
Insurance premiums	475,318	287,936
Investment income:	97,440	554,561
Interest and dividends income	43,985	43,567
Investment gains on money trusts	13,840	112,492
Gains on sales of securities	2,086	41,152
Investment gains on separate accounts	37,451	148,417
Other ordinary income	2,467	3,072
Reversal of outstanding claims	273	1,149
Ordinary expenses:	593,347	878,649
Insurance claims and others:	288,693	609,993
Insurance claims	47,259	51,705
Annuity payments	44,906	42,796
Benefits	82,020	86,975
Surrender benefits	63,529	307,015
Other refunds	2,004	1,777
Provision for underwriting reserves and others:	116,804	245,702
Provision for underwriting reserves	116,804	245,702
Investment expenses:	156,274	350
Interest expense	14	10
Losses on sales of securities	460	303
Operating expenses	26,885	18,472
Other ordinary expenses	4,689	4,130
Ordinary profit	2,003	39,270
Extraordinary income	13,593	-
Extraordinary losses	-	2,428
Income before income taxes	15,596	36,842
Income taxes - current	651	10,764
Income taxes - deferred	3,602	(543)
Total income taxes	4,254	10,220
Net income	11,341	26,621

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

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

	March 31, 2020		September 30, 2020	
	Number of policies (in thousands)	Amount	Number of policies (in thousands)	Amount
Individual insurance	825	42,587	789	44,176
Individual annuities	386	22,553	387	23,251
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)

	Six months ended September 30, 2019				Six months ended September 30, 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	54	3,802	3,802	-	27	2,326	2,326	-
Individual annuities	15	993	993	-	8	556	556	-
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, 2020	September 30, 2020
Individual insurance	3,318	3,371
Individual annuities	2,660	2,641
Total:	5,979	6,013
Medical coverage, living benefits, etc.	0	1

(2) New policies (Yen in 100 millions)

	Six months ended September 30, 2019	Six months ended September 30, 2020
Individual insurance	336	244
Individual annuities	175	106
Total:	512	351
Medical coverage, living benefits, etc.	-	0

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

	Six months ended September 30, 2019	Six months ended September 30, 2020	Change
Fundamental revenues:	640,371	890,753	250,382
Insurance premiums and others	495,443	360,285	(135,157)
Fundamental expenses	667,027	877,349	210,321
Fundamental profit/(losses)	(26,656)	13,404	40,060
Capital gains/(losses)	28,682	26,862	(1,820)
Non-recurring gains/(losses)	(23)	(996)	(972)
Ordinary profit	2,003	39,270	37,267
Extraordinary income	13,593	-	(13,593)
Extraordinary losses	-	2,428	2,428
Provision for reserve for dividends to policyholders	-	-	-
Income taxes	4,254	10,220	5,966
Net income	11,341	26,621	15,279

Non-Consolidated Solvency Margin Ratio

(Yen in millions)

	March 31, 2020	September 30, 2020
(A) Total amount of solvency margin	546,005	623,294
Total capital	179,481	203,686
Reserve for price fluctuation	79,500	81,928
Contingency reserve	80,497	81,493
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)	(7,417)	62,047
Net unrealized gains/(losses) on land x 85%	-	-
Excess of continued Zillmerized reserve (a)	172,286	143,255
Subordinated debts, etc. (b)	-	-
Amount excluded from the margin, out of (a) and (b)	-	-
Brought in capital	-	-
Deductions	-	-
Others	41,657	50,882
(B) Total amount of risks $\sqrt{(R_1 + R_5)^2 + (R_2 + R_3 + R_7)^2} + R_4$	146,376	155,064
Insurance risk (R ₁)	996	1,035
Insurance risk of third sector insurance contracts (R ₈)	2	2
Assumed interest rate risk (R ₂)	53,345	53,615
Minimum guarantee risk (R ₇)	1,656	1,633
Asset management risk (R ₃)	88,480	96,750
Business administration risk (R ₄)	2,889	3,060
(C) Solvency margin ratio [(A) / {(B) x 1/2}] x 100	746.0 %	803.9 %

3. Supplementary Information on Business Results for the Six Months Ended September 30, 2020 for Press Conference

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

1. Basic Information

(Yen in 100 millions)

	Six months ended September 30, 2019 (A)	Year ended March 31, 2020 (B)	Six months ended September 30, 2020 (C)	Change (C) - (B)	Change (C) - (A)	
1	Net premiums written	8,033	15,479	8,061	-	27
	Change ratio	3.3%	2.3%	0.3%	(2.0)%	(3.0)%
2	Total assets	69,039	66,860	67,616	755	(1,423)
3	Net loss ratio	55.9%	63.3%	54.9%	(8.4)%	(1.0)%
4	Net expense ratio	30.4%	32.0%	31.5%	(0.5)%	1.1%
5	Combined ratio	86.3%	95.3%	86.4%	(8.9)%	0.1%
	Underwriting result ratio	13.7%	4.7%	13.6%	8.9%	(0.1)%
6	Voluntary automobile insurance					
	Net premiums written	3,371	6,703	3,414	-	43
	Change ratio	1.7%	2.0%	1.3%	(0.7)%	(0.4)%
	Underwriting result ratio	11.5%	7.3%	14.6%	7.3%	3.1%
	Net loss ratio	57.5%	60.4%	53.6%	(6.8)%	(3.9)%
	Net expense ratio	31.0%	32.3%	31.8%	(0.5)%	0.8%
7	Fire and allied insurance					
	Net premiums written	1,146	2,060	1,270	-	124
	Change ratio	12.5%	3.6%	10.8%	7.2%	(1.7)%
	Underwriting result ratio	3.2%	(23.5)%	10.1%	33.6%	6.9%
	Net loss ratio	57.6%	80.8%	51.9%	(28.9)%	(5.7)%
	Net expense ratio	39.2%	42.7%	38.0%	(4.7)%	(1.2)%
8	Number of employees	14,511	14,371	14,343	(28)	(168)
9	Number of agencies	37,429	36,478	35,577	(901)	(1,852)

(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 = 1 - combined ratio

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

(Yen in 100 millions)

	Six months ended September 30, 2019 (A)	Year ended March 31, 2020 (B)	Six months ended September 30, 2020 (C)	Change (C) - (B)	Change (C) - (A)	
1	Ordinary income	28,564	51,683	27,344	-	(1,219)
2	Net premiums written	19,268	35,737	18,690	-	(578)
	Change ratio	2.7%	2.1%	(3.0)%	(5.1)%	(5.7)%
3	Life insurance premiums	5,554	9,437	566	-	(4,988)
	Change ratio	(15.5)%	(26.7)%	(89.8)%	(63.1)%	(74.3)%
4	Ordinary profit	1,082	1,577	1,155	-	72
5	Net income attributable to owners of the parent	1,635	1,430	966	-	(669)

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

(Yen in 100 millions)

	Six months ended September 30, 2019	Year ended March 31, 2020	Six months ended September 30, 2020
Domestic bonds	-	-	-
Domestic stocks	50	175	10
Foreign securities	0	33	-
Other securities	-	-	-
Total	50	208	10

(Note) Apart from the above, Losses on valuation of shares of subsidiaries and associates of ¥186.3 billion was recorded under Extraordinary losses in the six months ended September 30, 2019.

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)

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

(c) Unrealized gains and losses on investments in securities

(Yen in 100 millions)

	September 30, 2019	March 31, 2020	September 30, 2020
Domestic bonds	1,634	1,343	1,241
Domestic stocks	10,469	8,108	9,730
Foreign securities	198	35	187
Other securities	39	(8)	27
Total	12,341	9,478	11,187

(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)

	Six months ended September 30, 2019	Year ended March 31, 2020	Six months ended September 30, 2020
Direct claims paid	35	1,781	99
Net claims paid	33	643	97
Outstanding claims	362	67	244

(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	September 30, 2019			March 31, 2020			September 30, 2020		
	Balance	Reserve Ratio	Provision	Balance	Reserve Ratio	Provision	Balance	Reserve Ratio	Provision
Fire and allied	1,003	43.8%	113	998	48.6%	632	1,114	43.9%	115
Marine	821	128.4%	8	813	131.4%	15	804	149.5%	6
Personal accident	796	51.7%	24	748	51.0%	46	772	50.5%	24
Voluntary automobile	979	14.5%	108	978	14.6%	214	1,087	15.9%	109
Other	1,935	65.5%	57	1,907	68.4%	106	1,968	64.5%	60
Total	5,535	39.1%	311	5,446	39.9%	1,015	5,747	39.7%	316

(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 (excluding premiums of residential earthquake insurance and compulsory automobile liability insurance) multiplied by two as a denominator.

2. Provision = gross provision

(f) Reinsurance assumed

(Yen in 100 millions)

Lines of insurance	Six months ended September 30, 2019		Six months ended September 30, 2020	
	Net reinsurance assumed premiums written	Net reinsurance assumed claims paid	Net reinsurance assumed premiums written	Net reinsurance assumed claims paid
Fire and allied	173	64	185	74
Marine	85	53	91	39
Personal accident	12	6	16	12
Voluntary automobile	30	7	20	18
Compulsory automobile liability	703	626	580	536
Other	96	67	98	68
Total	1,102	825	993	750

(g) Reinsurance ceded

(Yen in 100 millions)

Lines of insurance	Six months ended September 30, 2019		Six months ended September 30, 2020	
	Net reinsurance ceded premiums written	Net reinsurance ceded claims paid	Net reinsurance ceded premiums written	Net reinsurance ceded claims paid
Fire and allied	760	554	816	589
Marine	233	116	238	82
Personal accident	67	29	33	21
Voluntary automobile	51	52	53	40
Compulsory automobile liability	632	591	462	534
Other	332	103	414	172
Total	2,077	1,447	2,019	1,441

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

1. Basic Information

(Yen in 100 millions)

	Six months ended September 30, 2019 (A)	Year ended March 31, 2020 (B)	Six months ended September 30, 2020 (C)	Change (C) - (B)	Change (C) - (A)	
1	Net premiums written	6,568	12,767	6,521	-	(46)
	Change ratio	5.3%	3.5%	(0.7)%	(4.2)%	(6.0)%
2	Total assets	34,587	34,207	35,189	981	601
3	Net loss ratio	55.2%	62.0%	54.7%	(7.3)%	(0.5)%
4	Net expense ratio	33.6%	34.5%	34.0%	(0.5)%	0.4%
5	Combined ratio	88.8%	96.5%	88.7%	(7.8)%	(0.1)%
	Underwriting result ratio	11.2%	3.5%	11.3%	7.8%	0.1%
6	Voluntary automobile insurance					
	Net premiums written	3,579	7,130	3,641	-	61
	Change ratio	3.4%	4.1%	1.7%	(2.4)%	(1.7)%
	Underwriting result ratio	12.3%	8.7%	17.3%	8.6%	5.0%
	Net loss ratio	56.2%	59.4%	51.5%	(7.9)%	(4.7)%
	Net expense ratio	31.5%	31.9%	31.2%	(0.7)%	(0.3)%
7	Fire and allied insurance					
	Net premiums written	1,084	1,992	1,100	-	16
	Change ratio	19.6%	8.4%	1.5%	(6.9)%	(18.1)%
	Underwriting result ratio	8.1%	(17.3)%	(0.1)%	17.2%	(8.2)%
	Net loss ratio	51.1%	73.8%	59.8%	(14.0)%	8.7%
	Net expense ratio	40.8%	43.5%	40.3%	(3.2)%	(0.5)%
8	Number of employees	13,915	13,775	14,073	298	158
9	Number of agencies	47,857	48,198	48,906	708	1,049

(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 = 1 - combined ratio

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

Please refer to page 37.

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

(Yen in 100 millions)

	Six months ended September 30, 2019	Year ended March 31, 2020	Six months ended September 30, 2020
Domestic bonds	-	-	-
Domestic stocks	27	109	20
Foreign securities	9	0	4
Other securities	-	-	-
Total	37	110	25

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)

	Six months ended September 30, 2019	Year ended March 31, 2020	Six months ended September 30, 2020
Land	0	0	7
Buildings	2	2	15
Others	-	-	-
Total	2	2	22

(c) Unrealized gains and losses on investments in securities

(Yen in 100 millions)

	September 30, 2019	March 31, 2020	September 30, 2020
Domestic bonds	678	540	511
Domestic stocks	3,881	2,910	4,115
Foreign securities	526	324	535
Other securities	43	(20)	34
Total	5,129	3,753	5,197

(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)

	Six months ended September 30, 2019	Year ended March 31, 2020	Six months ended September 30, 2020
Direct claims paid	28	1,478	95
Net claims paid	27	553	94
Outstanding claims	253	40	122

(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	September 30, 2019			March 31, 2020			September 30, 2020		
	Balance	Reserve Ratio	Provision	Balance	Reserve Ratio	Provision	Balance	Reserve Ratio	Provision
Fire and allied	880	40.6%	130	858	43.1%	534	1,023	46.5%	184
Marine	138	163.0%	0	98	136.2%	1	98	124.8%	0
Personal accident	700	118.0%	9	662	116.4%	18	671	111.7%	9
Voluntary automobile	647	9.1%	114	571	8.0%	228	688	9.5%	116
Other	777	53.9%	41	768	55.9%	67	786	55.9%	20
Total	3,145	27.5%	296	2,959	26.6%	849	3,268	28.2%	332

(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	Six months ended September 30, 2019		Six months ended September 30, 2020	
	Net reinsurance assumed premiums written	Net reinsurance assumed claims paid	Net reinsurance assumed premiums written	Net reinsurance assumed claims paid
Fire and allied	315	193	318	126
Marine	43	23	40	20
Personal accident	22	11	19	12
Voluntary automobile	209	93	177	108
Compulsory automobile liability	581	534	482	452
Other	85	35	71	47
Total	1,258	894	1,108	768

(g) Reinsurance ceded

(Yen in 100 millions)

Lines of insurance	Six months ended September 30, 2019		Six months ended September 30, 2020	
	Net reinsurance ceded premiums written	Net reinsurance ceded claims paid	Net reinsurance ceded premiums written	Net reinsurance ceded claims paid
Fire and allied	520	376	590	445
Marine	1	(0)	0	0
Personal accident	39	12	41	13
Voluntary automobile	14	12	15	24
Compulsory automobile liability	663	634	491	568
Other	176	47	198	53
Total	1,416	1,082	1,338	1,104