

Explanation for Business Results for the Six Months Ended September 30, 2012

1. Summary of Consolidated Business Results

(1) Summary of Consolidated Results of Operations

(Yen in 100 millions)

| | | Six months ended September 30, 2011 | Six months ended September 30, 2012 | Change | Change ratio (%) |
|--|------|--|--|--------------|---------------------|
| Ordinary income and expenses: | | | | | |
| Underwriting income: | (1) | 19,944 | 18,958 | (985) | (4.9) |
| Net premiums written | (2) | 13,052 | 13,404 | 352 | 2.7 |
| Deposit premiums from policyholders | (3) | 936 | 843 | (93) | (9.9) |
| Life insurance premiums | (4) | 2,055 | 3,378 | 1,323 | 64.4 |
| Reversal of outstanding claims | (5) | 121 | 583 | 462 | 381.9 |
| Reversal of underwriting reserves | (6) | 3,421 | 426 | (2,995) | (87.5) |
| Underwriting expenses: | (7) | 15,428 | 15,031 | (397) | (2.6) |
| Net claims paid | (8) | 9,518 | 8,738 | (780) | (8.2) |
| Loss adjustment expenses | (9) | 660 | 673 | 12 | 2.0 |
| Commission and collection expenses | (10) | 2,438 | 2,559 | 121 | 5.0 |
| Maturity refunds to policyholders | (11) | 1,861 | 1,980 | 118 | 6.4 |
| Life insurance claims | (12) | 876 | 993 | 117 | 13.4 |
| Investment income: | (13) | 959 | 1,050 | 91 | 9.5 |
| Interest and dividends received | (14) | 992 | 958 | (33) | (3.4) |
| Investment gains on money trusts | (15) | 1 | 67 | 65 | 3,915.0 |
| Gains on sale of securities | (16) | 261 | 236 | (25) | (9.6) |
| Gains on derivative transactions | (17) | - | 53 | 53 | - |
| Investment expenses: | (18) | 2,865 | 2,404 | (461) | (16.1) |
| Investment losses on money trusts | (19) | 353 | 34 | (318) | (90.1) |
| Losses on sale of securities | (20) | 58 | 31 | (27) | (46.4) |
| Losses on devaluation of securities | (21) | 539 | 1,244 | 704 | 130.5 |
| Losses on investment in separate accounts | (22) | 1,809 | 930 | (878) | (48.6) |
| Operating expenses and general and administrative expenses | (23) | 2,527 | 2,477 | (50) | (2.0) |
| Other ordinary income and expenses: | (24) | 6 | (33) | (39) | (632.5) |
| Equity in earnings of affiliates | (25) | (0) | (8) | (7) | - |
| Deferred expenses under Article 113 of the Insurance Business Act | (26) | (3) | (3) | 0 | - |
| Ordinary profit | (27) | 92 | 66 | (25) | (27.3) |
| Extraordinary income and losses: | | | | | |
| Extraordinary income | (28) | 73 | 24 | (48) | (66.2) |
| Extraordinary losses | (29) | 96 | 30 | (65) | (68.3) |
| Extraordinary income and losses | (30) | (22) | (5) | 17 | - |
| Income before income taxes | (31) | 69 | 61 | (8) | (11.6) |
| Income taxes - current | (32) | 84 | 100 | 15 | 18.4 |
| Income taxes - deferred | (33) | (95) | 45 | 140 | - |
| Income taxes | (34) | (10) | 145 | 156 | - |
| Income before minority interests | (35) | 79 | (84) | (164) | (206.2) |
| Minority interests | (36) | 8 | 9 | 1 | 18.5 |
| Net income | (37) | 71 | (94) | (165) | (232.2) |

(Notes)

- Net premiums written exclude Good Result Return premiums of Mitsui Sumitomo Insurance's proprietary auto insurance product "ModoRich" which contains a special clause related to premium adjustment and refund at maturity.
- For the Six months ended September 30, 2012, Net claims paid(8) includes losses due to the floods in Thailand in the amount of 49.8 billion yen.

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

(Yen in 100 millions)

| | | Six months ended September 30, 2011 | Six months ended September 30, 2012 | Change | Change ratio (%) |
|---|---|--|--|--------|---------------------|
| Net premiums written ^{Note 1} | ① | 13,052 | 13,404 | 352 | 2.7 |
| Mitsui Sumitomo Insurance ^{Note 1} | ② | 6,436 | 6,674 | 238 | 3.7 |
| Aioi Nissay Dowa Insurance | ③ | 5,431 | 5,560 | 129 | 2.4 |
| Mitsui Direct General Insurance | ④ | 168 | 174 | 5 | 3.3 |
| Overseas insurance subsidiaries | ⑤ | 1,017 | 993 | (23) | (2.3) |
| Ordinary profit | ⑥ | 92 | 66 | (25) | (27.3) |
| Mitsui Sumitomo Insurance | ⑦ | 82 | 126 | 43 | 53.1 |
| Aioi Nissay Dowa Insurance | ⑧ | 181 | (70) | (251) | (138.8) |
| Net income | ⑨ | 71 | (94) | (165) | (232.2) |
| Mitsui Sumitomo Insurance | ⑩ | 53 | 102 | 48 | 91.9 |
| Aioi Nissay Dowa Insurance | ⑪ | 148 | (157) | (305) | (205.7) |
| Mitsui Direct General Insurance | ⑫ | 3 | 6 | 2 | 76.6 |
| Mitsui Sumitomo Aioi Life Insurance ^{Note 2} | ⑬ | (29) | 0 | 29 | - |
| Mitsui Sumitomo Primary Life Insurance | ⑭ | 44 | 89 | 45 | 101.0 |
| Overseas insurance subsidiaries | ⑮ | 75 | 105 | 29 | 39.6 |
| Others | ⑯ | (0) | 2 | 3 | - |
| Consolidation adjustment / Holding Company | ⑰ | (224) | (243) | (19) | - |

(Notes)

1. Net premiums written exclude Good Result Return premiums of Mitsui Sumitomo Insurance's proprietary auto insurance product "ModoRich" which contains a special clause related to premium adjustment and refund at maturity.
2. Mitsui Sumitomo Kirameki Life Insurance Co., Ltd. and Aioi Life Insurance Co., Ltd. merged into Mitsui Sumitomo Aioi Life Insurance Co., Ltd. on October 1, 2011. The figure for the Six months ended September 30, 2011 of Mitsui Sumitomo Aioi Life Insurance Co., Ltd. is the simple combination of Mitsui Sumitomo Kirameki Life Insurance Co., Ltd. and Aioi Life Insurance Co., Ltd.
3. Figures in 10 through 16 are prior to consolidation adjustments (the Company's share of the subsidiaries' profits or losses).

(3) Breakdown of Overseas Insurance Subsidiaries

(Yen in 100 millions)

| | | Six months ended September 30, 2011 | Six months ended September 30, 2012 | Change | Change ratio (%) |
|----------------------|---|--|--|--------|---------------------|
| Net premiums written | ① | 1,017 | 993 | (23) | (2.3) |
| Asia | ② | 469 | 470 | 0 | 0.2 |
| Europe | ③ | 267 | 271 | 3 | 1.5 |
| Americas | ④ | 153 | 140 | (13) | (8.7) |
| Reinsurance | ⑤ | 127 | 111 | (15) | (12.0) |
| Net income | ⑥ | 75 | 105 | 29 | 39.6 |
| Asia | ⑦ | 48 | 57 | 8 | 17.9 |
| Europe | ⑧ | 17 | 12 | (4) | (27.2) |
| Americas | ⑨ | 7 | 7 | (0) | (0.0) |
| Reinsurance | ⑩ | 1 | 27 | 25 | 1,546.5 |

(4) Status of Domestic Life Insurance Subsidiaries

(Yen in 100 millions)

| | | Six months ended September 30, 2011 | Six months ended September 30, 2012 | Change | Change ratio (%) | Year ended March 31, 2012 |
|--|---|--|--|---------------------------------|---------------------------------|------------------------------|
| Amount of new policies | | | | From the year-earlier period | From the year-earlier period | |
| Mitsui Sumitomo Aioi Life Insurance | ① | 16,253 | 18,283 | 2,030 | 12.5 | 32,770 |
| Mitsui Sumitomo Primary Life Insurance | ② | 1,178 | 2,175 | 997 | 84.7 | 2,374 |
| Amount of policies in force | | | | From the previous year | From the previous year | |
| Mitsui Sumitomo Aioi Life Insurance | ③ | 172,463 | 190,385 | 9,760 | 5.4 | 180,624 |
| Mitsui Sumitomo Primary Life Insurance | ④ | 28,447 | 31,030 | (194) | (0.6) | 31,225 |
| Annualized premiums for policies in force | | | | From the previous year | From the previous year | |
| Mitsui Sumitomo Aioi Life Insurance | ⑤ | 2,884 | 3,046 | 86 | 2.9 | 2,960 |
| Mitsui Sumitomo Primary Life Insurance | ⑥ | 4,226 | 4,431 | 42 | 1.0 | 4,389 |

(Notes)

- Above figures show the total of individual insurance and individual annuities.
- Mitsui Sumitomo Kirameki Life Insurance Co., Ltd. and Aioi Life Insurance Co., Ltd. merged into Mitsui Sumitomo Aioi Life Insurance Co., Ltd. on October 1, 2011. Amount of new policies for the Year ended March 31, 2012 and figures for the Six months ended September 30, 2011 of Mitsui Sumitomo Aioi Life Insurance Co., Ltd. are the simple combination of Mitsui Sumitomo Kirameki Life Insurance Co., Ltd. and Aioi Life Insurance Co., Ltd.

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

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

(1) Profit and loss status

(Yen in 100 millions)

| | | Six months ended September 30, 2011 | Six months ended September 30, 2012 | Change | Change ratio |
|--|---|--|---|--------|--------------|
| (+) Net premiums written | ① | 6,436 | 6,674 | 238 | 3.7 |
| (-) Net claims paid | ② | 4,688 | 4,450 | (237) | (5.1) |
| (-) Loss adjustment expenses | ③ | 369 | 382 | 12 | 3.4 |
| (-) Commissions and collection expenses | ④ | 1,126 | 1,157 | 30 | 2.7 |
| (-) Operating expenses and general administrative expenses for underwriting | ⑤ | 973 | 966 | (7) | (0.8) |
| Underwriting balance | ⑥ | (722) | (281) | 440 | - |
| (-) Outstanding claims provision | ⑦ | 60 | (480) | (541) | (889.0) |
| (-) Ordinary underwriting reserve | ⑧ | (605) | 150 | 755 | - |
| (-) Catastrophe reserve provision | ⑨ | 44 | (408) | (452) | (1,008.0) |
| (+) Other | ⑩ | 20 | 7 | (13) | (63.3) |
| Underwriting profit | ⑪ | (202) | 463 | 665 | - |
| (+) Interest and dividends received | ⑫ | 540 | 514 | (25) | (4.8) |
| (-) Transfer of investment income on deposit premium | ⑬ | 240 | 224 | (16) | (6.7) |
| Net interest and dividend income - | ⑭ | 299 | 289 | (9) | (3.2) |
| (+) Net gains/losses on sale of securities | ⑮ | 179 | 144 | (34) | (19.2) |
| (-) Losses on devaluation of securities | ⑯ | 81 | 627 | 546 | 671.9 |
| (+) Gains/losses on derivative transactions | ⑰ | 6 | 53 | 47 | 776.3 |
| (+) Other | ⑱ | (101) | (152) | (51) | - |
| Total investment income | ⑲ | 302 | (291) | (593) | (196.2) |
| (+) Other ordinary expenses | ⑳ | (17) | (45) | (28) | - |
| Ordinary profit | ㉑ | 82 | 126 | 43 | 53.1 |
| (+) Extraordinary income (losses) | ㉒ | (39) | 7 | 46 | - |
| Reserve for price fluctuation | ㉓ | (13) | 14 | 27 | - |
| Income before income taxes | ㉔ | 42 | 133 | 90 | 212.2 |
| (-) Total income taxes | ㉕ | (10) | 31 | 41 | - |
| Net income | ㉖ | 53 | 102 | 48 | 91.9 |

| | | | | | |
|--------|-------------------|---|---------|---------|---------|
| Ratios | Net loss ratio | ⑳ | 78.6 % | 72.4 % | (6.2) % |
| | Net expense ratio | ㉑ | 32.6 % | 31.8 % | (0.8) % |
| | Combined ratio | ㉒ | 111.2 % | 104.2 % | (7.0) % |

| | | | | | | |
|---------------|---|---|-------|-------|-------|--------|
| Incurred Loss | + | ⑳ | 4,749 | 3,970 | (778) | (16.4) |
|---------------|---|---|-------|-------|-------|--------|

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

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

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

(Reference) Excluding Compulsory Automobile Liability Insurance

| | | | | | |
|----------------------|-------------------|-------|---------|---------|---------|
| Net premiums written | ㉓ | 5,730 | 5,880 | 149 | 2.6 |
| Ratios | Net loss ratio | ㉔ | 75.5 % | 69.5 % | (6.0) % |
| | Net expense ratio | ㉕ | 33.9 % | 33.4 % | (0.5) % |
| | Combined ratio | ㉖ | 109.4 % | 102.9 % | (6.5) % |

(Reference) Excluding Residential Earthquake Insurance and Compulsory Automobile Liability Insurance

| | | | | |
|----------------|---|--------|--------|-------|
| Net loss ratio | ㉗ | 61.7 % | 69.5 % | 7.8 % |
|----------------|---|--------|--------|-------|

(2) Net premiums written

(Yen in 100 millions)

| | Net premiums written | | | | Direct premiums written (excluding deposit premiums) | | | |
|---------------------------------|-------------------------------------|--------------|-------------------------------------|--------------|--|--------------|-------------------------------------|--------------|
| | Six months ended September 30, 2011 | | Six months ended September 30, 2012 | | Six months ended September 30, 2011 | | Six months ended September 30, 2012 | |
| | Amount | Change ratio | Amount | Change ratio | Amount | Change ratio | Amount | Change ratio |
| Fire and allied | 946 | 5.7 | 919 | (2.9) | 1,163 | 7.9 | 1,239 | 6.5 |
| Marine | 279 | 0.1 | 270 | (2.9) | 355 | 0.8 | 355 | (0.1) |
| Personal accident | 725 | 4.3 | 751 | 3.6 | 758 | 4.5 | 786 | 3.7 |
| Voluntary automobile | 2,839 | 2.9 | 2,960 | 4.2 | 2,844 | 3.1 | 2,970 | 4.5 |
| Compulsory automobile liability | 705 | 1.6 | 794 | 12.6 | 716 | 7.8 | 763 | 6.6 |
| Other | 939 | 3.1 | 977 | 4.1 | 993 | 3.0 | 1,032 | 3.9 |
| Total | 6,436 | 3.2 | 6,674 | 3.7 | 6,833 | 4.4 | 7,148 | 4.6 |

(3) Net claims paid

(Yen in 100 millions)

| | Six months ended September 30, 2011 | | | Six months ended September 30, 2012 | | | |
|---------------------------------|-------------------------------------|--------------|----------------|-------------------------------------|--------------|----------------|--------------|
| | Amount | Change ratio | Net loss ratio | Amount | Change ratio | Net loss ratio | Change ratio |
| | | % | % | | % | % | % |
| Fire and allied | 1,244 | 261.1 | 132.7 | 1,024 | (17.7) | 113.9 | (18.8) |
| Marine | 145 | 10.1 | 54.8 | 130 | (10.0) | 51.7 | (3.1) |
| Personal accident | 373 | 0.6 | 57.5 | 378 | 1.2 | 56.2 | (1.3) |
| Voluntary automobile | 1,824 | 0.3 | 72.0 | 1,788 | (2.0) | 67.7 | (4.3) |
| Compulsory automobile liability | 673 | (0.5) | 103.2 | 686 | 1.9 | 94.1 | (9.1) |
| Other | 426 | (9.6) | 48.6 | 442 | 3.8 | 48.2 | (0.4) |
| Total | 4,688 | 22.8 | 78.6 | 4,450 | (5.1) | 72.4 | (6.2) |

(Note)1.Net claims paid during Six months ended September 30, 2011 include 91.9billion yen paid for claims by the Great East Japan Earthquake (80.5 billion yen for Residential earthquake insurance and 11.3 billion yen for others).

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

(Reference) Natural disasters during the year

(Yen in 100 millions)

| | Six months ended September 30, 2011 | | | Six months ended September 30, 2012 | | |
|----------------------|-------------------------------------|-----------------|--------------------|-------------------------------------|-----------------|--------------------|
| | Incurring loss | Net claims paid | Outstanding claims | Incurring loss | Net claims paid | Outstanding claims |
| | Fire and allied | 187 | 24 | 162 | 228 | 143 |
| Voluntary automobile | 33 | 14 | 18 | 31 | 24 | 7 |
| Other | 14 | 1 | 13 | 19 | 6 | 13 |
| Total | 235 | 40 | 194 | 280 | 174 | 105 |

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

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

44 (Fire:26, Voluntary Auto:14, Other:2) during Six months ended September 30, 2011

204 (Fire:169, Voluntary Auto:24, Other:10) during Six months ended September 30, 2012

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

(Reference) Natural disasters of flooding in Thailand

(Yen in 100 millions)

| | Year ended March 31, 2012 | | | Six months ended September 30, 2012 | | |
|--|---|-----------------|--------------------|-------------------------------------|-----------------|--------------------|
| | Incurring loss | Net claims paid | Outstanding claims | Incurring loss | Net claims paid | Outstanding claims |
| | Incurring loss caused by flooding in Thailand | 2,342 | 914 | 1,427 | (172) | 417 |

(Note) 1. Outstanding claims for Six months ended September 30, 2012 indicates increase/decrease in outstanding claims.

2. Incurring loss for Six months ended September 30, 2012 includes changes with revaluation of foreign exchange.

(4) Company expenses

< Corporate expenses >

(Yen in 100 millions)

| | | Six months ended September 30, 2011 | | | Six months ended September 30, 2012 | | |
|-------------------------|---|-------------------------------------|--------|--------------|-------------------------------------|--------|--------------|
| | | Amount | Change | Change ratio | Amount | Change | Change ratio |
| | | | | % | | | % |
| Personnel expenses | ① | 797 | (2) | (0.3) | 792 | (4) | (0.6) |
| Non personnel | ② | 528 | (2) | (0.5) | 536 | 8 | 1.5 |
| Taxes and contributions | ③ | 65 | (3) | (4.7) | 64 | (0) | (1.5) |
| Total | ④ | 1,391 | (8) | (0.6) | 1,393 | 2 | 0.2 |

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

< Expenses for underwriting >

(Yen in 100 millions)

| | | Six months ended September 30, 2011 | | | Six months ended September 30, 2012 | | |
|--|---|-------------------------------------|---------|--------------|-------------------------------------|---------|--------------|
| | | Amount | Change | Change ratio | Amount | Change | Change ratio |
| | | | | % | | | % |
| Operating expenses and general administrative expenses | ⑤ | 973 | (7) | (0.8) | 966 | (7) | (0.8) |
| Commission and collection expenses | ⑥ | 1,126 | 42 | 3.9 | 1,157 | 30 | 2.7 |
| Total | ⑦ | 2,100 | 34 | 1.7 | 2,123 | 22 | 1.1 |
| Net company expense ratio | ⑧ | 32.6 % | (0.5) % | | 31.8 % | (0.8) % | |

(Mitsui Sumitomo Insurance Co., Ltd.)

(5) Outstanding claims

(Yen in 100 millions)

| | Six months ended September 30, 2011 | | Six months ended September 30, 2012 | |
|---------------------------------|--|--------|--|--------|
| | Amount | Change | Amount | Change |
| | | | | |
| Fire and allied | 1,027 | 77 | 1,783 | (445) |
| Marine | 266 | (1) | 245 | (7) |
| Personal accident | 564 | (9) | 553 | 2 |
| Voluntary automobile | 2,502 | (27) | 2,427 | (49) |
| Compulsory automobile liability | 484 | (18) | 500 | (17) |
| Other | 992 | 39 | 998 | 36 |
| Total | 5,837 | 60 | 6,509 | (480) |

(6) Incurred loss and earned-incurred loss ratio

(Yen in 100 millions)

| | Six months ended September 30, 2011 | | Six months ended September 30, 2012 | | | |
|----------------------|--|-----------------------------------|--|--------|-----------------------------------|--------|
| | Incurred loss | Earned- incurred loss ratio | Incurred Loss | Change | Earned- incurred loss ratio | Change |
| | | | | | | |
| | | % | | | % | % |
| Fire and allied | 622 | 70.2 | 601 | (20) | 64.9 | (5.3) |
| Marine | 151 | 54.1 | 132 | (19) | 48.8 | (5.3) |
| Personal accident | 408 | 61.8 | 425 | 16 | 61.9 | 0.1 |
| Voluntary automobile | 2,018 | 71.5 | 1,955 | (62) | 67.3 | (4.2) |
| Other | 496 | 58.6 | 507 | 11 | 56.6 | (2.0) |
| Total | 3,697 | 67.3 | 3,622 | (75) | 63.7 | (3.6) |

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

Figures are excluding residential earthquake insurance and compulsory automobile liability insurance

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

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

Earned-incurred loss ratio = Incurred loss / Earned premiums

(7) Underwriting reserve

(Yen in 100 millions)

| | | As of September 30, 2012 | | | | |
|-------------------------|--------|-------------------------------------|-------------------------------------|--|------------------------|------------------------|
| | | Total of underwriting reserve | Ordinary underwriting reserve | Reserve for refunds and dividends to policyholders | Catastrophe reserve | Contingency reserve |
| Fire and allied | Amount | 8,571 | 5,262 | 2,340 | 968 | - |
| | Change | (474) | (6) | (92) | (375) | - |
| Marine | Amount | 851 | 194 | - | 657 | - |
| | Change | 33 | 23 | - | 10 | - |
| Personal accident | Amount | 15,680 | 1,127 | 13,874 | 678 | - |
| | Change | (442) | 64 | (520) | 13 | - |
| Voluntary automobile | Amount | 1,972 | 1,805 | 72 | 94 | - |
| | Change | (38) | 56 | (6) | (88) | - |
| CALI | Amount | 2,242 | 2,242 | - | - | - |
| | Change | (58) | (58) | - | - | - |
| Other | Amount | 4,337 | 2,300 | 659 | 1,377 | - |
| | Change | 87 | 72 | (16) | 31 | - |
| Total | Amount | 33,657 | 12,931 | 16,948 | 3,777 | - |
| | Change | (893) | 150 | (635) | (408) | - |

(Note) Reserve for residential earthquake insurance and compulsory automobile liability insurance are included in ordinary underwriting reserve.

(Mitsui Sumitomo Insurance Co., Ltd.)

(8) Catastrophe reserve

(Yen in 100 millions)

| | As of March 31, 2012 | | As of September 30, 2012 | | | |
|----------------------|----------------------|---------------|--------------------------|-----------|---------|---------------|
| | Balance | Reserve ratio | Reversal | Provision | Balance | Reserve ratio |
| Fire and allied | 1,343 | 74.5% | 457 | 82 | 968 | 53.0% |
| Marine | 647 | 122.1 | - | 10 | 657 | 121.4 |
| Personal accident | 665 | 47.8 | 10 | 23 | 678 | 45.2 |
| Voluntary automobile | 182 | 3.2 | 182 | 94 | 94 | 1.6 |
| Other | 1,346 | 76.0 | 15 | 46 | 1,377 | 70.4 |
| Total | 4,185 | 37.3 | 666 | 258 | 3,777 | 32.2 |

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

In case of the 2nd quarter, reserve ratio as of September 30, 2012 is calculated with two times of net written premium of six months ended September 30, 2012.

(9) Balance of invested asset

(Yen in 100 millions)

| | As of March 31, 2012 | As of September 30, 2012 | Change |
|---------------------------|----------------------|--------------------------|---------|
| | | | |
| Cash deposits and savings | 4,538 | 4,033 | (504) |
| Securities | 37,842 | 35,075 | (2,766) |
| Domestic bonds | 16,002 | 15,908 | (93) |
| Domestic equity | 14,176 | 11,667 | (2,508) |
| Foreign securities | 7,294 | 7,219 | (74) |
| Others | 370 | 281 | (88) |
| Loan investments | 6,243 | 6,128 | (115) |
| Lands and buildings | 2,340 | 2,271 | (68) |
| Total | 50,965 | 47,510 | (3,454) |

(Reference)

| | | | |
|------------------|--------|--------|-------|
| Long-term assets | 17,481 | 16,852 | (629) |
|------------------|--------|--------|-------|

(Reference) Breakdown of domestic bonds by issuer type

(Yen in 100 millions)

| | As of March 31, 2012 | As of September 30, 2012 | Change |
|------------------------|----------------------|--------------------------|--------|
| | | | |
| Government bonds | 7,153 | 7,660 | 506 |
| Municipal bonds | 1,070 | 1,075 | 4 |
| Corporate bonds | 7,777 | 7,173 | (604) |
| Public sector | 2,366 | 2,252 | (114) |
| Financial institutions | - | - | - |
| Corporations | 5,410 | 4,921 | (489) |
| Total | 16,002 | 15,908 | (93) |

(10) Breakdown of interest and dividends

(Yen in 100 millions)

| | Six months ended September 30, 2011 | Six months ended September 30, 2012 | Change |
|---------------------|--|--|--------|
| | | | |
| Securities | 425 | 407 | (18) |
| Domestic bonds | 142 | 130 | (11) |
| Domestic equity | 169 | 169 | 0 |
| Foreign securities | 112 | 101 | (10) |
| Others | 1 | 5 | 3 |
| Loan investments | 60 | 51 | (8) |
| Lands and buildings | 30 | 26 | (3) |
| Other | 23 | 28 | 5 |
| Total | 540 | 514 | (25) |

(11) Securities

Unrealized gains and losses on securities

(Yen in 100 millions)

| As of September 30, 2012 | Acquisition cost | Fair value | Difference | Change from |
|--------------------------|------------------|------------|------------|----------------|
| | | | | March 31, 2012 |
| Domestic bonds | 15,208 | 15,908 | 699 | 129 |
| Domestic equity | 6,682 | 10,960 | 4,278 | (1,775) |
| Foreign securities | 2,438 | 2,410 | (28) | (39) |
| Others | 1,006 | 1,051 | 44 | (4) |
| Total | 25,336 | 30,330 | 4,994 | (1,689) |

(Yen in 100 millions)

| As of March 31, 2012 | Acquisition cost | Fair value | Difference |
|----------------------|------------------|------------|------------|
| Domestic bonds | 15,431 | 16,002 | 570 |
| Domestic equity | 7,409 | 13,463 | 6,053 |
| Foreign securities | 3,016 | 3,027 | 10 |
| Others | 1,178 | 1,228 | 49 |
| Total | 27,036 | 33,721 | 6,684 |

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

2. Others include certificate of deposit represented as cash deposits and savings in the consolidated balance sheets.

Others also include beneficiary claims on loan trusts and commercial papers represented as monetary claims bought in the consolidated balance sheets.

Gains and losses on sale of securities

(Yen in 100 millions)

| | Six months ended September 30, 2011 Gains and losses | Six months ended September 30, 2012 Gains and losses | Six months ended September 30, 2012 | |
|--------------------|--|--|--|--------|
| | | | Gains | Losses |
| Domestic bonds | 41 | 17 | 17 | 0 |
| Domestic equity | 144 | 129 | 130 | 1 |
| Foreign securities | (6) | (1) | 0 | 1 |
| Others | - | - | - | - |
| Total | 179 | 144 | 148 | 4 |

Losses on devaluation of securities

(Yen in 100 millions)

| | Six months ended September 30, 2011 | Six months ended September 30, 2012 | Change |
|--------------------|--|--|--------|
| | | | |
| Domestic bonds | 10 | 6 | (3) |
| Domestic equity | 55 | 619 | 564 |
| Foreign securities | 15 | 1 | (14) |
| Others | - | 0 | 0 |
| Total | 81 | 627 | 546 |

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

(1) Profit and loss status

(Yen in 100 millions)

| | | Six months ended September 30, 2011 | Six months ended September 30, 2012 | Change | Change ratio |
|--|---|--|--|--------|--------------|
| (+) Net premiums written | ① | 5,431 | 5,560 | 129 | 2.4 |
| (-) Net claims paid | ② | 4,164 | 3,656 | (507) | (12.2) |
| (-) Loss adjustment expenses | ③ | 255 | 254 | (1) | (0.6) |
| (-) Commissions and collection expenses | ④ | 965 | 987 | 21 | 2.3 |
| (-) Operating expenses and general administrative expenses for underwriting | ⑤ | 942 | 882 | (60) | (6.4) |
| Underwriting balance | ⑥ | (896) | (219) | 677 | - |
| (-) Outstanding claims provision | ⑦ | (173) | (74) | 99 | - |
| (-) Ordinary underwriting reserve | ⑧ | (729) | (40) | 689 | - |
| (-) Catastrophe reserve provision | ⑨ | (186) | (282) | (96) | - |
| (+) Other | ⑩ | 7 | (4) | (12) | (165.8) |
| Underwriting profit | ⑪ | 199 | 173 | (26) | (13.3) |
| (+) Interest and dividends received | ⑫ | 298 | 288 | (10) | (3.4) |
| (-) Transfer of investment income on deposit premium | ⑬ | 111 | 103 | (7) | (7.1) |
| Net interest and dividend income - | ⑭ | 186 | 184 | (2) | (1.2) |
| (+) Net gains/losses on sale of securities | ⑮ | 28 | 45 | 16 | 60.3 |
| (-) Losses on devaluation of securities | ⑯ | 141 | 386 | 244 | 173.1 |
| (+) Gains/losses on derivative transactions | ⑰ | (8) | (3) | 5 | - |
| (+) Other | ⑱ | (70) | (75) | (5) | - |
| Total investment income | ⑲ | (5) | (235) | (229) | - |
| (+) Other ordinary expenses | ⑳ | (12) | (8) | 4 | - |
| Ordinary profit | ㉑ | 181 | (70) | (251) | (138.8) |
| (+) Extraordinary income (losses) | ㉒ | 34 | (6) | (40) | (117.7) |
| Reserve for price fluctuation | ㉓ | 50 | 9 | (41) | (81.5) |
| Income before income taxes | ㉔ | 216 | (76) | (292) | (135.4) |
| (-) Total income taxes | ㉕ | 67 | 80 | 13 | 19.5 |
| Net income | ㉖ | 148 | (157) | (305) | (205.7) |

| | | | | | | |
|--------|-------------------|---|---------|---------|----------|--|
| Ratios | Net loss ratio | ㉗ | 81.4 % | 70.3 % | (11.1) % | |
| | Net expense ratio | ㉘ | 35.1 % | 33.6 % | (1.5) % | |
| | Combined ratio | ㉙ | 116.5 % | 103.9 % | (12.6) % | |

| | | | | | | |
|---------------|---|---|-------|-------|-------|--------|
| Incurred Loss | + | ㉚ | 3,991 | 3,582 | (408) | (10.2) |
|---------------|---|---|-------|-------|-------|--------|

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

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

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

(Reference) Excluding Compulsory Automobile Liability Insurance

| | | | | | | |
|----------------------|-------------------|-------|---------|---------|----------|--|
| Net premiums written | ㉛ | 4,724 | 4,786 | 62 | 1.3 | |
| Ratios | Net loss ratio | ㉜ | 79.2 % | 67.1 % | (12.1) % | |
| | Net expense ratio | ㉝ | 36.1 % | 35.2 % | (0.9) % | |
| | Combined ratio | ㉞ | 115.3 % | 102.3 % | (13.0) % | |

(Reference) Excluding Residential Earthquake Insurance and Compulsory Automobile Liability Insurance

| | | | | | |
|----------------|---|--------|--------|-------|--|
| Net loss ratio | ㉟ | 65.8 % | 67.2 % | 1.4 % | |
|----------------|---|--------|--------|-------|--|

(2) Net premiums written

(Yen in 100 millions)

| | Net premiums written | | | | Direct premiums written (excluding deposit premiums) | | | |
|---------------------------------|-------------------------------------|--------------|-------------------------------------|--------------|--|--------------|-------------------------------------|--------------|
| | Six months ended September 30, 2011 | | Six months ended September 30, 2012 | | Six months ended September 30, 2011 | | Six months ended September 30, 2012 | |
| | Amount | Change ratio | Amount | Change ratio | Amount | Change ratio | Amount | Change ratio |
| Fire and allied | 616 | (11.3) | 604 | (1.9) | 845 | 1.0 | 888 | 5.0 |
| Marine | 44 | 7.4 | 47 | 6.3 | 47 | (8.0) | 48 | 2.2 |
| Personal accident | 373 | (0.3) | 378 | 1.3 | 394 | 0.6 | 395 | 0.4 |
| Voluntary automobile | 3,166 | (1.5) | 3,236 | 2.2 | 3,091 | (0.8) | 3,165 | 2.4 |
| Compulsory automobile liability | 706 | (1.4) | 774 | 9.6 | 797 | 2.4 | 828 | 3.8 |
| Other | 523 | (3.0) | 518 | (0.9) | 699 | (1.5) | 679 | (2.8) |
| Total | 5,431 | (2.7) | 5,560 | 2.4 | 5,875 | (0.2) | 6,005 | 2.2 |

(Note) 1. Change ratio for six month ended September 30, 2011 is computed in comparison with the simple sum of results for six month ended September 30, 2010 of Aioi Insurance Co., Ltd. and Nissay Dowa General Insurance Co., Ltd.

2. Same formula is applied to (3) Net claims paid and (4) Company expenses.

(3) Net claims paid

(Yen in 100 millions)

| | Six months ended September 30, 2011 | | | Six months ended September 30, 2012 | | | |
|---------------------------------|-------------------------------------|--------------|----------------|-------------------------------------|--------------|----------------|--------------|
| | Amount | Change ratio | Net loss ratio | Amount | Change ratio | Net loss ratio | Change ratio |
| Fire and allied | 1,033 | 290.0 | 169.8 | 535 | (48.2) | 90.9 | (78.9) |
| Marine | 25 | (3.1) | 60.4 | 23 | (8.1) | 52.2 | (8.2) |
| Personal accident | 178 | (3.4) | 51.5 | 177 | (0.4) | 50.2 | (1.3) |
| Voluntary automobile | 1,966 | (2.5) | 67.2 | 1,967 | 0.0 | 65.8 | (1.4) |
| Compulsory automobile liability | 631 | (0.2) | 96.2 | 647 | 2.6 | 90.0 | (6.2) |
| Other | 327 | 4.9 | 66.1 | 304 | (7.0) | 61.7 | (4.4) |
| Total | 4,164 | 21.1 | 81.4 | 3,656 | (12.2) | 70.3 | (11.1) |

(Note) 1. Net claims paid during Six months ended September 30, 2011 include 73.0 billion yen paid for claims by the Great East Japan Earthquake (64.1 billion yen for Residential earthquake insurance and 8.9 billion yen for others).

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

(Reference) Natural disasters during the year

(Yen in 100 millions)

| | Six months ended September 30, 2011 | | | Six months ended September 30, 2012 | | |
|----------------------|-------------------------------------|-----------------|--------------------|-------------------------------------|-----------------|--------------------|
| | Incurred loss | Net claims paid | Outstanding claims | Incurred loss | Net claims paid | Outstanding claims |
| Fire and allied | 133 | 13 | 119 | 175 | 114 | 61 |
| Voluntary automobile | 21 | 7 | 13 | 29 | 26 | 2 |
| Other | 3 | 0 | 3 | 6 | 3 | 2 |
| Total | 158 | 21 | 137 | 211 | 144 | 67 |

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

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

30 (Fire: 21, Voluntary Auto: 8, Other: 1) during Six months ended September 30, 2011

159 (Fire: 127, Voluntary Auto: 27, Other: 4) during Six months ended September 30, 2012

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

(Reference) Natural disasters of flooding in Thailand

(Yen in 100 millions)

| | Year ended March 31, 2012 | | | Six months ended September 30, 2012 | | |
|--|---------------------------|-----------------|--------------------|-------------------------------------|-----------------|--------------------|
| | Incurred loss | Net claims paid | Outstanding claims | Incurred loss | Net claims paid | Outstanding claims |
| Incurred loss caused by flooding in Thailand | 300 | 83 | 217 | (11) | 48 | (60) |

(Note) 1. Outstanding claims for Six months ended September 30, 2012 indicates increase/decrease in outstanding claims.

2. Incurred loss for Six months ended September 30, 2012 includes changes with revaluation of foreign exchange.

(4) Company expenses

< Corporate expenses >

(Yen in 100 millions)

| | | Six months ended September 30, 2011 | | | Six months ended September 30, 2012 | | |
|-------------------------|---|-------------------------------------|--------|--------------|-------------------------------------|--------|--------------|
| | | Amount | Change | Change ratio | Amount | Change | Change ratio |
| Personnel expenses | ① | 631 | (29) | (4.5) | 600 | (30) | (4.9) |
| Non personnel | ② | 549 | (26) | (4.6) | 516 | (32) | (6.0) |
| Taxes and contributions | ③ | 59 | (4) | (7.7) | 56 | (2) | (4.9) |
| Total | ④ | 1,239 | (61) | (4.7) | 1,173 | (66) | (5.4) |

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

< Expenses for underwriting >

(Yen in 100 millions)

| | | Six months ended September 30, 2011 | | | Six months ended September 30, 2012 | | |
|--|---|-------------------------------------|---------|--------------|-------------------------------------|---------|--------------|
| | | Amount | Change | Change ratio | Amount | Change | Change ratio |
| Operating expenses and general administrative expenses | ⑤ | 942 | (24) | (2.6) | 882 | (60) | (6.4) |
| Commission and collection expenses | ⑥ | 965 | (32) | (3.2) | 987 | 21 | 2.3 |
| Total | ⑦ | 1,907 | (56) | (2.9) | 1,869 | (38) | (2.0) |
| Net company expense ratio | ⑧ | 35.1 % | (0.1) % | | 33.6 % | (1.5) % | |

(5) Outstanding claims

(Yen in 100 millions)

| | Six months ended September 30, 2011 | | Six months ended September 30, 2012 | |
|---------------------------------|--|--------|--|--------|
| | Amount | | Amount | |
| | | Change | | Change |
| Fire and allied | 570 | (36) | 656 | (20) |
| Marine | 38 | (6) | 37 | 1 |
| Personal accident | 305 | (7) | 285 | (5) |
| Voluntary automobile | 2,673 | (18) | 2,706 | (28) |
| Compulsory automobile liability | 459 | (14) | 475 | (16) |
| Other | 608 | (88) | 587 | (6) |
| Total | 4,656 | (173) | 4,749 | (74) |

(6) Incurred loss and earned-incurred loss ratio

(Yen in 100 millions)

| | Six months ended September 30, 2011 | | Six months ended September 30, 2012 | | | |
|----------------------|--|-----------------------------------|--|--------|-----------------------------------|--------|
| | Incurred loss | Earned- incurred loss ratio | Incurred Loss | Change | Earned- incurred loss ratio | Change |
| | | | | | | |
| Fire and allied | 444 | 64.4 | 529 | 84 | 76.9 | 12.5 |
| Marine | 20 | 45.2 | 26 | 6 | 58.1 | 12.9 |
| Personal accident | 184 | 53.2 | 184 | 0 | 54.0 | 0.8 |
| Voluntary automobile | 2,109 | 66.1 | 2,100 | (8) | 66.0 | (0.1) |
| Other | 257 | 52.1 | 314 | 56 | 62.9 | 10.8 |
| Total | 3,015 | 63.3 | 3,155 | 140 | 66.3 | 3.0 |

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

Figures are excluding residential earthquake insurance and compulsory automobile liability insurance

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

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

Earned-incurred loss ratio = Incurred loss / Earned premiums

(7) Underwriting reserve

(Yen in 100 millions)

| | | As of September 30, 2012 | | | | |
|-------------------------|--------|----------------------------------|-------------------------------------|--|------------------------|------------------------|
| | | Total of underwriting reserve | Ordinary underwriting reserve | Reserve for refunds and dividends to policyholders | Catastrophe reserve | Contingency reserve |
| Fire and allied | Amount | 7,171 | 4,801 | 1,219 | 1,148 | 2 |
| | Change | (344) | (83) | (60) | (201) | 0 |
| Marine | Amount | 163 | 33 | - | 129 | - |
| | Change | (0) | (0) | - | 0 | - |
| Personal accident | Amount | 6,202 | 631 | 5,012 | 555 | 3 |
| | Change | (127) | 36 | (176) | 11 | 0 |
| Voluntary automobile | Amount | 1,984 | 1,873 | 6 | 104 | 0 |
| | Change | (46) | 51 | 1 | (99) | 0 |
| CALI | Amount | 2,392 | 2,392 | - | - | - |
| | Change | (65) | (65) | - | - | - |
| Other | Amount | 1,919 | 1,217 | 181 | 520 | 0 |
| | Change | 21 | 19 | (3) | 5 | (0) |
| Total | Amount | 19,834 | 10,950 | 6,418 | 2,458 | 6 |
| | Change | (561) | (40) | (238) | (282) | - |

(Note) Reserve for residential earthquake insurance and compulsory automobile liability insurance are included in ordinary underwriting reserve.

(8) Catastrophe reserve

(Yen in 100 millions)

| | As of March 31, 2012 | | As of September 30, 2012 | | | |
|----------------------|----------------------|---------------|--------------------------|-----------|---------|---------------|
| | Balance | Reserve ratio | Reversal | Provision | Balance | Reserve ratio |
| | | % | | | | % |
| Fire and allied | 1,349 | 114.4 | 237 | 36 | 1,148 | 95.6 |
| Marine | 129 | 149.1 | 1 | 1 | 129 | 136.1 |
| Personal accident | 543 | 74.9 | - | 11 | 555 | 73.4 |
| Voluntary automobile | 203 | 3.2 | 203 | 104 | 104 | 1.6 |
| Other | 514 | 53.1 | 17 | 23 | 520 | 50.1 |
| Total | 2,741 | 29.5 | 460 | 177 | 2,458 | 25.7 |

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

In case of the 2nd quarter, reserve ratio as of September 30, 2012 is calculated with two times of net written premium of six months ended September 30, 2012.

(9) Balance of invested asset

(Yen in 100 millions)

| | As of March 31, 2012 | As of September 30, 2012 | Change |
|---------------------------|----------------------|--------------------------|---------|
| | | | |
| Cash deposits and savings | 1,479 | 1,268 | (210) |
| Securities | 20,666 | 19,986 | (680) |
| Domestic bonds | 7,468 | 7,893 | 424 |
| Domestic equity | 6,022 | 5,134 | (888) |
| Foreign securities | 6,379 | 6,249 | (129) |
| Others | 795 | 708 | (86) |
| Loan investments | 2,745 | 2,559 | (185) |
| Lands and buildings | 1,828 | 1,776 | (52) |
| Total | 26,720 | 25,590 | (1,129) |

(Reference)

| | | | |
|------------------|-------|-------|-------|
| Long-term assets | 6,651 | 6,411 | (240) |
|------------------|-------|-------|-------|

(Reference) Breakdown of domestic bonds by issuer type

(Yen in 100 millions)

| | As of March 31, 2012 | As of September 30, 2012 | Change |
|------------------------|----------------------|--------------------------|--------|
| | | | |
| Government bonds | 4,747 | 5,353 | 605 |
| Municipal bonds | 368 | 355 | (12) |
| Corporate bonds | 2,352 | 2,184 | (168) |
| Public sector | 720 | 647 | (73) |
| Financial institutions | 43 | 28 | (15) |
| Corporations | 1,588 | 1,508 | (79) |
| Total | 7,468 | 7,893 | 424 |

(10) Breakdown of interest and dividends

(Yen in 100 millions)

| | Six months ended September 30, 2011 | Six months ended September 30, 2012 | Change |
|---------------------|--|--|--------|
| | | | |
| Securities | 237 | 238 | 1 |
| Domestic bonds | 51 | 45 | (5) |
| Domestic equity | 78 | 83 | 4 |
| Foreign securities | 95 | 91 | (4) |
| Others | 11 | 18 | 7 |
| Loan investments | 28 | 22 | (5) |
| Lands and buildings | 26 | 24 | (2) |
| Other | 5 | 2 | (3) |
| Total | 298 | 288 | (10) |

(11) Securities

Unrealized gains and losses on securities

(Yen in 100 millions)

| As of September 30, 2012 | Acquisition cost | Fair value | Difference | Change from |
|--------------------------|------------------|------------|------------|----------------|
| | | | | March 31, 2012 |
| Domestic bonds | 7,640 | 7,893 | 252 | 54 |
| Domestic equity | 4,372 | 4,822 | 450 | (395) |
| Foreign securities | 6,201 | 5,810 | (391) | (44) |
| Others | 692 | 581 | (110) | (53) |
| Total | 18,907 | 19,108 | 200 | (438) |

(Yen in 100 millions)

| As of March 31, 2012 | Acquisition cost | Fair value | Difference |
|----------------------|------------------|------------|------------|
| Domestic bonds | 7,270 | 7,468 | 198 |
| Domestic equity | 4,858 | 5,704 | 845 |
| Foreign securities | 6,287 | 5,940 | (346) |
| Others | 714 | 656 | (57) |
| Total | 19,130 | 19,770 | 639 |

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

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

Gains and losses on sale of securities

(Yen in 100 millions)

| | Six months ended September 30, 2011 Gains and losses | Six months ended September 30, 2012 | | |
|--------------------|--|--|-------|--------|
| | | Gains and losses | Gains | Losses |
| Domestic bonds | 12 | 21 | 22 | 0 |
| Domestic equity | 18 | 20 | 22 | 2 |
| Foreign securities | 5 | 3 | 23 | 20 |
| Others | (8) | - | - | - |
| Total | 28 | 45 | 69 | 24 |

Losses on devaluation of securities

(Yen in 100 millions)

| | Six months ended September 30, 2011 | Six months ended September 30, 2012 | |
|--------------------|--|--|--------|
| | | | Change |
| Domestic bonds | - | - | - |
| Domestic equity | 126 | 382 | 256 |
| Foreign securities | 15 | - | (15) |
| Others | - | 3 | 3 |
| Total | 141 | 386 | 244 |

4 . Earnings forecast

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

(Yen in 100 millions)

| | | Forecast for year ending March 31, 2013 | Change from previous year |
|--|---|--|------------------------------|
| Net premiums written * | ① | 26,300 | 2.8 % |
| (Overseas non-life insurance subsidiaries) | ② | 1,850 | 2.3 % |
| Ordinary profit | ③ | 480 | 1,442 |
| Net income | ④ | 120 | 1,814 |
| Dividend per share (annual) | ⑤ | 54.00 yen | nil |

Operating revenue on non-consolidated basis is forecast to increase by 26.6% year on year, to JPY37billion.

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

(Yen in 100 millions)

| | | Forecast for year ending March 31, 2013 | Change from previous year |
|------------------------|---|--|------------------------------|
| Net premiums written * | ⑥ | 13,020 | 2.6 % |
| Ordinary profit | ⑦ | 380 | 1,681 |
| Net income | ⑧ | 260 | 1,566 |

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

(Yen in 100 millions)

| | | Forecast for year ending March 31, 2013 | Change from previous year |
|----------------------|---|--|------------------------------|
| Net premiums written | ⑨ | 11,070 | 3.0 % |
| Ordinary profit | ⑩ | 110 | 17 |
| Net income | ⑪ | 80 | 515 |

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

(Breakdown of earnings forecast)

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

(Yen in 100 millions)

| | Results for the year ended March 31, 2012 | Forecast for the year ending March 31, 2013 |
|---|--|--|
| Gross premiums written (excl. deposit premiums) | 13,535 | 14,000 |
| Change ratio | 4.4 % | 3.4 % |
| Net premiums written | 12,692 | 13,020 |
| Change ratio | 3.1 % | 2.6 % |
| Net loss ratio | 84.8 % | 75.3 % |
| Net expense ratio | 33.3 % | 32.9 % |
| Combined ratio | 118.1 % | 108.2 % |
| Underwriting profit (losses) | (1,700) | 285 |
| Net interest and dividends | 549 | 493 |
| Ordinary profit | (1,301) | 380 |
| Net income (losses) | (1,306) | 260 |

Reference: excluding compulsory automobile liability insurance

| | Results for the year ended March 31, 2012 | Forecast for the year ending March 31, 2013 |
|-----------------------------------|--|--|
| Net premiums written change ratio | 2.5 % | 2.1 % |
| Net loss ratio | 82.7 % | 72.5 % |
| Net expense ratio | 34.9 % | 34.7 % |
| Combined ratio | 117.6 % | 107.2 % |

Forecast by line of business

(Yen in 100 millions)

| | Net premiums written | | Loss ratio | |
|---------------------------------|----------------------|--------------|------------|----------|
| | | Change ratio | | Change |
| Fire and allied | 1,856 | 1.6 % | 111.1 % | (50.9) % |
| Marine | 517 | (2.5) % | 53.9 % | (11.7) % |
| Personal accident | 1,429 | 2.5 % | 59.9 % | (0.3) % |
| Voluntary automobile | 5,878 | 3.0 % | 70.0 % | (3.3) % |
| Compulsory automobile liability | 1,555 | 6.4 % | 96.3 % | (4.8) % |
| Other | 1,785 | 0.8 % | 55.9 % | 1.7 % |
| Total | 13,020 | 2.6 % | 75.3 % | (9.5) % |

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

(Yen in 100 millions)

| | Results for the year ended March 31, 2012 | Forecast for the year ending March 31, 2013 |
|---|--|--|
| Gross premiums written (excl. deposit premiums) | 11,781 | 12,100 |
| Change ratio | 1.4 % | 2.7 % |
| Net premiums written | 10,746 | 11,070 |
| Change ratio | (2.1) % | 3.0 % |
| Net loss ratio | 79.7 % | 71.8 % |
| Net expense ratio | 35.1 % | 33.9 % |
| Combined ratio | 114.8 % | 105.7 % |
| Underwriting profit (losses) | (200) | 226 |
| Net interest and dividends | 362 | 325 |
| Ordinary profit | 92 | 110 |
| Net income (losses) | (435) | 80 |

Reference: excluding compulsory automobile liability insurance

| | Results for the year ended March 31, 2012 | Forecast for the year ending March 31, 2013 |
|-----------------------------------|--|--|
| Net premiums written change ratio | (3.1) % | 2.6 % |
| Net loss ratio | 77.4 % | 68.7 % |
| Net expense ratio | 36.6 % | 35.3 % |
| Combined ratio | 114.0 % | 104.0 % |

Forecast by line of business

(Yen in 100 millions)

| | Net premiums written | | Loss ratio | |
|---------------------------------|----------------------|--------------|------------|----------|
| | | Change ratio | | Change |
| Fire and allied | 1,207 | 0.8 % | 86.2 % | (53.8) % |
| Marine | 100 | 14.9 % | 48.0 % | (6.7) % |
| Personal accident | 741 | 2.0 % | 53.0 % | 0.5 % |
| Voluntary automobile | 6,490 | 2.8 % | 67.8 % | (1.9) % |
| Compulsory automobile Liability | 1,533 | 5.7 % | 91.2 % | (3.8) % |
| Other | 999 | 3.0 % | 67.3 % | (3.1) % |
| Total | 11,070 | 3.0 % | 71.8 % | (7.9) % |

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

Consolidated

(Yen in millions)

| Lines of Insurance | Six months ended September 30, 2011 | | | Six months ended September 30, 2012 | | |
|-------------------------------------|--|--------------|-------------|--|--------------|-------------|
| | Amount | Share % | Change % | Amount | Share % | Change % |
| Fire and Allied | 254,341 | 16.9 | 2.0 | 268,665 | 17.4 | 5.6 |
| Marine | 56,349 | 3.7 | 1.9 | 56,309 | 3.6 | (0.1) |
| Personal Accident | 190,650 | 12.7 | (5.3) | 185,538 | 12.0 | (2.7) |
| Voluntary Automobile | 645,936 | 43.0 | 0.8 | 666,627 | 43.2 | 3.2 |
| Compulsory Automobile Liability | 151,442 | 10.1 | 4.8 | 159,217 | 10.3 | 5.1 |
| Other | 204,075 | 13.6 | 1.0 | 207,930 | 13.5 | 1.9 |
| Total | 1,502,796 | 100.0 | 0.6 | 1,544,289 | 100.0 | 2.8 |
| Deposit premiums from policyholders | 93,688 | 6.2 | (18.1) | 84,371 | 5.5 | (9.9) |

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

| | | | | | | |
|----------------------|------------------|--|------------|------------------|--|------------|
| Voluntary Automobile | 647,487 | | 1.2 | 667,274 | | 3.1 |
| Total | 1,504,347 | | 0.8 | 1,544,936 | | 2.7 |

Net Premiums Written by Lines of Insurance

(Yen in millions)

| Lines of Insurance | Six months ended September 30, 2011 | | | Six months ended September 30, 2012 | | |
|---------------------------------|--|--------------|-------------|--|--------------|-------------|
| | Amount | Share % | Change % | Amount | Share % | Change % |
| Fire and Allied | 178,937 | 13.7 | (1.6) | 175,392 | 13.1 | (2.0) |
| Marine | 47,033 | 3.6 | 0.6 | 44,739 | 3.3 | (4.9) |
| Personal Accident | 114,192 | 8.8 | 3.4 | 117,173 | 8.8 | 2.6 |
| Voluntary Automobile | 650,962 | 49.9 | 0.5 | 671,472 | 50.1 | 3.2 |
| Compulsory Automobile Liability | 141,390 | 10.9 | 0.1 | 157,086 | 11.7 | 11.1 |
| Other | 171,152 | 13.1 | (1.3) | 173,942 | 13.0 | 1.6 |
| Total | 1,303,670 | 100.0 | 0.2 | 1,339,807 | 100.0 | 2.8 |

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

| | | | | | | |
|----------------------|------------------|--|------------|------------------|--|------------|
| Voluntary Automobile | 652,513 | | 0.9 | 672,118 | | 3.0 |
| Total | 1,305,221 | | 0.4 | 1,340,453 | | 2.7 |

Net Claims Paid by Lines of Insurance

(Yen in millions)

| Lines of Insurance | Six months ended September 30, 2011 | | | Six months ended September 30, 2012 | | |
|---------------------------------|--|--------------|-------------|--|--------------|--------------|
| | Amount | Share % | Change % | Amount | Share % | Change % |
| Fire and Allied | 235,480 | 24.8 | 239.4 | 167,209 | 19.1 | (29.0) |
| Marine | 23,066 | 2.4 | 11.1 | 20,562 | 2.4 | (10.9) |
| Personal Accident | 56,430 | 5.9 | (0.6) | 56,882 | 6.5 | 0.8 |
| Voluntary Automobile | 412,193 | 43.3 | (0.4) | 408,611 | 46.8 | (0.9) |
| Compulsory Automobile Liability | 130,722 | 13.7 | (0.3) | 133,628 | 15.3 | 2.2 |
| Other | 93,939 | 9.9 | 2.3 | 86,913 | 9.9 | (7.5) |
| Total | 951,832 | 100.0 | 21.4 | 873,808 | 100.0 | (8.2) |

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

Securities available for sale

(Yen in millions)

| Items | | As of March 31, 2012 | | | As of September 30, 2012 | | |
|---|--------------------|----------------------|------------------|------------|--------------------------|------------------|------------|
| | | Fair value | Acquisition cost | Difference | Fair value | Acquisition cost | Difference |
| In case fair value exceed cost or amortized cost | Domestic Bonds | 3,445,015 | 3,314,685 | 130,329 | 3,453,288 | 3,291,699 | 161,588 |
| | Domestic Stocks | 1,374,250 | 721,292 | 652,957 | 1,031,977 | 568,654 | 463,323 |
| | Foreign Securities | 678,098 | 636,202 | 41,896 | 654,924 | 614,047 | 40,876 |
| | Others | 84,769 | 79,238 | 5,531 | 82,401 | 76,500 | 5,900 |
| | Sub Total | 5,582,134 | 4,751,419 | 830,714 | 5,222,591 | 4,550,902 | 671,689 |
| In case fair value do not exceed cost or amortized cost | Domestic Bonds | 236,958 | 244,172 | (7,213) | 336,562 | 341,044 | (4,481) |
| | Domestic Stocks | 543,094 | 603,999 | (60,904) | 546,818 | 615,512 | (68,694) |
| | Foreign Securities | 561,641 | 596,630 | (34,988) | 535,077 | 578,261 | (43,184) |
| | Others | 105,093 | 110,563 | (5,469) | 82,213 | 94,029 | (11,815) |
| | Sub Total | 1,446,788 | 1,555,365 | (108,576) | 1,500,672 | 1,628,848 | (128,175) |
| Total | | 7,028,923 | 6,306,785 | 722,137 | 6,723,263 | 6,179,750 | 543,513 |

| As of March 31, 2012 | As of September 30, 2012 |
|--|---|
| <p>1. Securities (available for sale) for which are deemed to be extremely difficult to determine the fair value are not included in the above table.</p> <p>2. "Others" includes certificates of deposit represented as Cash, deposits and savings, commercial papers and beneficiary claims on loan trusts etc. represented as Monetary claims bought in the consolidated balance sheets.</p> <p>3. Impairment losses of securities (available for sale) with fair value amount to 26,109 million yen; 1,455 million yen for domestic bonds, 23,466 million yen for domestic stocks, 1,187 million yen for foreign securities.</p> <p>Impairment losses of securities (available for sale), for which are deemed to be extremely difficult to determine the fair value, amount to 3,355 million yen; 2,144 million yen for domestic stocks, 928 million yen for foreign securities, 282 million yen for others.</p> <p>The Company and its domestic consolidated subsidiaries in principle recognize impairment losses on securities if the fair value is declined by more than 30% of their cost or amortized cost.</p> | <p>1. Securities (available for sale) for which are deemed to be extremely difficult to determine the fair value are not included in the above table.</p> <p>2. "Others" includes certificates of deposit represented as Cash, deposits and savings, commercial papers and beneficiary claims on loan trusts etc. represented as Monetary claims bought in the consolidated balance sheets.</p> <p>3. Impairment losses of securities (available for sale) with fair value amount to 120,384 million yen; 1,800 million yen for domestic bonds, 116,638 million yen for domestic stocks, 1,581 million yen for foreign securities, 363 million yen for others.</p> <p>Impairment losses of securities (available for sale), for which are deemed to be extremely difficult to determine the fair value, amount to 4,021 million yen; 3,992 million yen for domestic stocks, 28 million yen for others.</p> <p>The Company and its domestic consolidated subsidiaries in principle recognize impairment losses on securities if the fair value is declined by more than 30% of their cost or amortized cost.</p> |

Non-Consolidated Statements of Income

(Yen in millions)

| Items | Six months ended September 30, 2011 | Six months ended September 30, 2012 |
|---|--|--|
| | Amount | Amount |
| Ordinary income: | 882,442 | 940,612 |
| Underwriting income: | 829,722 | 888,762 |
| Net premiums written | 642,092 | 666,836 |
| Deposit premiums from policyholders | 68,973 | 62,077 |
| Investment income on deposit premiums from policyholders | 24,099 | 22,477 |
| Reversal of outstanding claims | - | 48,020 |
| Reversal of underwriting reserves | 94,510 | 89,302 |
| Investment income: | 51,298 | 50,516 |
| Interest and dividends received | 54,035 | 51,458 |
| Investment gains on money trusts | 124 | 13 |
| Gains on sale of securities | 19,975 | 14,885 |
| Gains on derivative transactions | 615 | 5,390 |
| Transfer of investment income on deposit premiums from policyholders | (24,099) | (22,477) |
| Other ordinary income | 1,421 | 1,333 |
| Ordinary expenses: | 874,188 | 927,974 |
| Underwriting expenses: | 752,720 | 746,911 |
| Net claims paid | 468,828 | 445,068 |
| Loss adjustment expenses | 36,958 | 38,219 |
| Commission and collection expenses | 112,680 | 115,707 |
| Maturity refunds to policyholders | 126,134 | 144,426 |
| Provision for outstanding claims | 6,086 | - |
| Investment expenses: | 17,436 | 76,192 |
| Investment losses on money trusts | 117 | 96 |
| Losses on sale of securities | 2,046 | 404 |
| Losses on devaluation of securities | 8,128 | 62,742 |
| Operating expenses and general and administrative expenses | 102,151 | 101,123 |
| Other ordinary expenses: | 1,879 | 3,747 |
| Interest paid | 1,054 | 3,618 |
| Ordinary profit | 8,254 | 12,638 |
| Extraordinary income | 450 | 1,860 |
| Extraordinary losses | 4,428 | 1,147 |
| Income before income taxes | 4,276 | 13,351 |
| Income taxes - current | 3,984 | 565 |
| Income taxes - deferred | (5,034) | 2,561 |
| Total income taxes | (1,049) | 3,127 |
| Net income | 5,326 | 10,224 |

Solvency Margin Ratio (Non-Consolidated)

(Yen in millions)

| | As of March 31, 2012 | As of September 30, 2012 |
|---|----------------------|--------------------------|
| (A) Total amount of solvency margin | 1,656,380 | 1,452,963 |
| Total net assets | 445,809 | 444,835 |
| Reserve for price fluctuation | 2,639 | 1,238 |
| Contingency reserve | - | - |
| Catastrophe reserve | 429,083 | 388,906 |
| General bad debts reserve | 1,029 | 1,140 |
| Net unrealized gains/losses on securities (Prior to tax effect deductions) | 598,943 | 443,738 |
| Net unrealized gains/losses on land | 36,478 | 33,944 |
| Excess of policyholders' contract deposits (a) | - | - |
| Subordinated debts, etc. (b) | 106,191 | 106,191 |
| Amount excluded from the margin, out of (a) and (b) | - | - |
| Deductions | 40,098 | 43,155 |
| Others | 76,303 | 76,123 |
| (B) Total amount of risks | 680,488 | 605,229 |
| $\sqrt{(R_1 + R_2)^2 + (R_3 + R_4)^2} + R_5 + R_6$ | | |
| General insurance risk (R ₁) | 107,837 | 108,479 |
| Third sector insurance risk (R ₂) | - | - |
| Assumed interest risk (R ₃) | 21,492 | 21,198 |
| Asset management risk (R ₄) | 470,525 | 433,153 |
| Business administration risk (R ₅) | 22,620 | 13,743 |
| Catastrophe risk (R ₆) | 154,171 | 124,362 |
| (C) Solvency margin ratio [(A)/{(B)×1/2}]×100 | 486.8% | 480.1% |

Non-Consolidated Statements of Income

(Yen in millions)

| Items | Six months ended September 30, 2011 | Six months ended September 30, 2012 |
|--|--|--|
| | Amount | Amount |
| Ordinary income: | 743,729 | 679,491 |
| Underwriting income: | 716,024 | 652,634 |
| Net premiums written | 543,110 | 556,099 |
| Deposit premiums from policyholders | 24,715 | 22,293 |
| Investment income on deposit premiums from policyholders | 11,162 | 10,368 |
| Reversal of outstanding claims | 17,344 | 7,437 |
| Reversal of underwriting reserves | 118,427 | 56,179 |
| Investment income: | 26,394 | 25,467 |
| Interest and dividends received | 29,830 | 28,811 |
| Investment gains on money trusts | 0 | 0 |
| Gains on sale of securities | 7,689 | 6,960 |
| Transfer of investment income on deposit premiums from policyholders | (11,162) | (10,368) |
| Other ordinary income | 1,309 | 1,388 |
| Ordinary expenses: | 725,597 | 686,526 |
| Underwriting expenses: | 602,785 | 547,324 |
| Net claims paid | 416,451 | 365,681 |
| Loss adjustment expenses | 25,549 | 25,402 |
| Commission and collection expenses | 96,515 | 98,700 |
| Maturity refunds to policyholders | 59,995 | 53,602 |
| Investment expenses: | 23,435 | 45,934 |
| Losses on sale of securities | 4,877 | 2,454 |
| Losses on devaluation of securities | 14,138 | 38,607 |
| Losses on derivative transactions | 846 | 313 |
| Operating expenses and general and administrative expenses | 98,436 | 91,930 |
| Other ordinary expenses: | 939 | 1,337 |
| Interest paid | 1 | 7 |
| Ordinary profit (loss) | 18,131 | (7,035) |
| Extraordinary income | 5,617 | 1,217 |
| Extraordinary losses | 2,142 | 1,831 |
| Income (loss) before income taxes | 21,606 | (7,648) |
| Income taxes - current | 142 | 86 |
| Income taxes - deferred | 6,602 | 7,975 |
| Total income taxes | 6,744 | 8,062 |
| Net income (loss) | 14,862 | (15,710) |

Solvency Margin Ratio (Non-Consolidated)

(Yen in millions)

| | As of March 31, 2012 | As of September 30, 2012 |
|---|----------------------|--------------------------|
| (A) Total amount of solvency margin | 758,104 | 707,123 |
| Total net assets | 359,526 | 338,216 |
| Reserve for price fluctuation | 1,798 | 858 |
| Contingency reserve | 693 | 693 |
| Catastrophe reserve | 281,338 | 253,502 |
| General bad debts reserve | 365 | 361 |
| Net unrealized gains/losses on securities (Prior to tax effect deductions) | 57,792 | 18,245 |
| Net unrealized gains/losses on land | 4,477 | 2,903 |
| Excess of policyholders' contract deposits (a) | - | - |
| Subordinated debts, etc. (b) | - | 50,000 |
| Amount excluded from the margin, out of (a) and (b) | - | - |
| Deductions | 11,673 | 11,603 |
| Others | 63,786 | 53,945 |
| (B) Total amount of risks | 342,539 | 280,140 |
| $\sqrt{(R_1 + R_2)^2 + (R_3 + R_4)^2} + R_5 + R_6$ | | |
| General insurance risk (R ₁) | 101,167 | 101,222 |
| Third sector insurance risk (R ₂) | - | - |
| Assumed interest risk (R ₃) | 11,032 | 10,794 |
| Asset management risk (R ₄) | 171,111 | 151,246 |
| Business administration risk (R ₅) | 12,160 | 6,908 |
| Catastrophe risk (R ₆) | 122,024 | 82,174 |
| (C) Solvency margin ratio [(A)/{(B)×1/2}]×100 | 442.6% | 504.8% |

Non-Consolidated Statements of Income

(Yen in millions)

| Items | Six months ended September 30, 2011 | Six months ended September 30, 2012 |
|--|--|--|
| | Amount | Amount |
| Ordinary income: | 17,473 | 18,071 |
| Underwriting income: | 17,376 | 17,990 |
| Net premiums written | 16,851 | 17,407 |
| Investment income on deposit premiums from policyholders | 6 | 7 |
| Reversal of underwriting reserves | 517 | 576 |
| Investment income: | 96 | 79 |
| Interest and dividends received | 103 | 86 |
| Transfer of investment income on deposit premiums from policyholders | (6) | (7) |
| Other ordinary income | 0 | 1 |
| Ordinary expenses: | 16,991 | 17,218 |
| Underwriting expenses: | 13,407 | 13,744 |
| Net claims paid | 11,375 | 12,423 |
| Loss adjustment expenses | 1,119 | 1,155 |
| Commission and collection expenses | 115 | 101 |
| Provision for outstanding claims | 797 | 63 |
| Investment expenses | - | - |
| Operating expenses and general and administrative expenses | 3,583 | 3,473 |
| Other ordinary expenses | 0 | 0 |
| Ordinary profit | 481 | 852 |
| Extraordinary income | - | - |
| Extraordinary losses | 6 | 3 |
| Income before income taxes | 475 | 849 |
| Income taxes - current | 8 | 24 |
| Total income taxes | 8 | 24 |
| Net income | 466 | 824 |

Solvency Margin Ratio (Non-Consolidated)

(Yen in millions)

| | As of March 31, 2012 | As of September 30, 2012 |
|---|----------------------|--------------------------|
| (A) Total amount of solvency margin | 11,820 | 12,165 |
| Total net assets | 10,350 | 11,175 |
| Reserve for price fluctuation | 22 | 25 |
| Contingency reserve | 0 | 0 |
| Catastrophe reserve | 1,099 | 568 |
| General bad debts reserve | 1 | 0 |
| Net unrealized gains/losses on securities (Prior to tax effect deductions) | 346 | 395 |
| Net unrealized gains/losses on land | - | - |
| Excess of policyholders' contract deposits (a) | - | - |
| Subordinated debts, etc. (b) | - | - |
| Amount excluded from the margin, out of (a) and (b) | - | - |
| Deductions | - | - |
| Others | - | - |
| (B) Total amount of risks | 5,569 | 5,573 |
| $\sqrt{(R_1 + R_2)^2 + (R_3 + R_4)^2} + R_5 + R_6$ | | |
| General insurance risk (R ₁) | 5,065 | 5,065 |
| Third sector insurance risk (R ₂) | - | - |
| Assumed interest risk (R ₃) | 0 | 0 |
| Asset management risk (R ₄) | 525 | 548 |
| Business administration risk (R ₅) | 176 | 177 |
| Catastrophe risk (R ₆) | 300 | 300 |
| (C) Solvency margin ratio [(A)/{(B)×1/2}]×100 | 424.4% | 436.5% |

Non-Consolidated Statements of Income

(Yen in millions)

| Items | Six months ended September 30, 2011 | Six months ended September 30, 2012 |
|---|--|--|
| | Amount (Simple Combination) | Amount |
| Ordinary income: | 204,386 | 220,917 |
| Insurance premiums and other: | 186,933 | 199,996 |
| Insurance premiums | 186,793 | 199,539 |
| Investment income: | 16,211 | 19,284 |
| Interest and dividends received | 15,830 | 16,781 |
| Gains on sale of securities | 373 | 2,502 |
| Other ordinary income: | 1,241 | 1,635 |
| Reversal of outstanding claims | 992 | 21 |
| Ordinary expenses: | 202,371 | 217,440 |
| Insurance claims and other: | 81,333 | 81,124 |
| Insurance claims | 21,095 | 21,535 |
| Annuity payments | 2,703 | 4,075 |
| Benefits | 5,937 | 5,195 |
| Surrender benefits | 50,491 | 48,817 |
| Other refunds | 516 | 1,008 |
| Provision for underwriting reserves and other: | 83,607 | 96,119 |
| Provision for underwriting reserves | 83,606 | 96,117 |
| Provision of interest portion of reserves for dividends to policyholders | 1 | 1 |
| Investment expenses: | 745 | 1,363 |
| Interest paid | 21 | 141 |
| Losses on sale of securities | 509 | 28 |
| Losses on devaluation of securities | - | 1,177 |
| Operating expenses | 34,085 | 35,540 |
| Other ordinary expenses | 2,599 | 3,293 |
| Ordinary profit | 2,015 | 3,476 |
| Extraordinary income | 2 | 0 |
| Extraordinary losses | 4,372 | 215 |
| Provision for reserve for dividends to policyholders | 2,082 | 3,000 |
| Income (loss) before income taxes | (4,438) | 260 |
| Income taxes - current | (19) | 129 |
| Income taxes - deferred | (1,471) | 128 |
| Total income taxes | (1,490) | 257 |
| Net income (loss) | (2,947) | 3 |

Results for the Six Months Ended September 30, 2012**Amount of Policies in Force and New Policies**

(1) Amount of policies in force

(Yen in millions)

| | As of March 31, 2012 | | As of September 30, 2012 | |
|----------------------|--------------------------------------|------------|--------------------------------------|------------|
| | Number of policies (in thousands) | Amount | Number of policies (in thousands) | Amount |
| Individual Insurance | 2,049 | 17,359,229 | 2,142 | 18,316,570 |
| Individual Annuities | 172 | 703,269 | 176 | 722,007 |
| Group Insurance | — | 4,996,365 | — | 5,005,239 |
| Group Annuities | — | 477 | — | 449 |

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

(2) Amount of new policies

(Yen in millions)

| | Six months ended September 30, 2011 (Simple Combination) | | | | Six months ended September 30, 2012 | | | |
|----------------------|---|-----------|--------------|-------------------------------|--------------------------------------|-----------|--------------|-------------------------------|
| | 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 | 176 | 1,548,642 | 1,548,642 | - | 154 | 1,790,698 | 1,790,698 | - |
| Individual Annuities | 16 | 76,670 | 76,670 | - | 7 | 37,621 | 37,621 | - |
| Group Insurance | — | 14,556 | 14,556 | — | — | 683,709 | 683,709 | — |
| Group Annuities | — | 0 | 0 | — | — | - | - | — |

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

Annualized Premiums

(1) Amount of policies in force

(Yen in millions)

| | As of March 31, 2012 | As of September 30, 2012 |
|--|----------------------|--------------------------|
| Individual Insurance | 256,438 | 264,052 |
| Individual Annuities | 39,562 | 40,573 |
| Total: | 296,000 | 304,625 |
| Medical coverage, living benefits, etc. | 51,959 | 53,376 |

(2) Amount of new policies

(Yen in millions)

| | Six months ended September 30, 2011 (Simple Combination) | Six months ended September 30, 2012 |
|--|--|--|
| Individual Insurance | 19,894 | 19,656 |
| Individual Annuities | 3,824 | 2,080 |
| Total: | 23,719 | 21,736 |
| Medical coverage, living benefits, etc. | 4,651 | 3,210 |

- (Notes) 1. An annualized premium is the annual total of premiums that is obtained by multiplying the amount of a single payment with the number of payments per year in accordance with the premium payment method. An annualized premium for a single-payment policy is the premium divided by the number of years of coverage.
2. "Medical coverage, living benefits, etc." shows the portion of annualized premiums that corresponds to medical coverage benefits (for hospitalization, surgeries, etc.), living benefits (for specified diseases, nursing care, etc.), and premium waiver benefits (excluding those for disability, but including those for specified diseases, nursing care, etc.).

Summary of Non-Consolidated Results of Operations

(Yen in millions)

| | Six months ended September 30, 2011 (Simple Combination) | Six months ended September 30, 2012 | Change |
|---|--|--|---------|
| Fundamental revenues: | 204,012 | 218,416 | 14,404 |
| Insurance premiums and others | 186,933 | 199,996 | 13,063 |
| Fundamental expense | 201,204 | 215,389 | 14,184 |
| Fundamental profit | 2,807 | 3,027 | 220 |
| Capital gains (losses) | 3 | 1,295 | 1,291 |
| Non-recurring gains (losses) | (796) | (846) | (49) |
| Ordinary profit | 2,015 | 3,476 | 1,461 |
| Extraordinary income | 2 | 0 | (1) |
| Extraordinary losses | 4,372 | 215 | (4,156) |
| Provision for reserve for dividends to policyholders | 2,082 | 3,000 | 917 |
| Total income taxes | (1,490) | 257 | 1,748 |
| Net income (loss) | (2,947) | 3 | 2,950 |

Solvency Margin Ratio (Non-Consolidated)

(Yen in millions)

| | As of March 31, 2012 | As of September 30, 2012 |
|--|----------------------|--------------------------|
| (A) Total amount of solvency margin | 223,803 | 237,693 |
| Total capital | 63,056 | 63,642 |
| Reserve for price fluctuation | 2,962 | 3,170 |
| Contingency reserve | 19,754 | 20,597 |
| General bad debts reserve | 37 | 35 |
| Net unrealized gains/losses on securities×90% | 51,144 | 61,977 |
| Net unrealized gains/losses on land×85% | - | - |
| Excess of continued Zillmerized reserve (a) | 109,878 | 116,126 |
| Subordinated debt, etc. (b) | - | - |
| Amount excluded from the margin, out of (a) and (b) | (23,568) | (28,286) |
| Brought in capital | - | - |
| Deductions | - | - |
| Others | 536 | 429 |
| (B) Total amount of risks $\sqrt{(R_1 + R_8)^2 + (R_2 + R_3 + R_7)^2} + R_4$ | 36,904 | 38,467 |
| Insurance risk (R ₁) | 12,655 | 13,176 |
| Third sector insurance risk (R ₈) | 4,229 | 4,456 |
| Assumed interest risk (R ₂) | 2,888 | 2,904 |
| Minimum guarantee risk (R ₇) | - | - |
| Asset management risk (R ₃) | 28,295 | 29,582 |
| Business administration risk (R ₄) | 1,442 | 1,503 |
| (C) Solvency margin ratio [(A)/{(B)×1/2}]×100 | 1,212.8% | 1,235.8% |

Non-Consolidated Statements of Income

(Yen in millions)

| Items | Six months ended September 30, 2011 | Six months ended September 30, 2012 |
|---|--|--|
| | Amount | Amount |
| Ordinary income: | 342,563 | 239,832 |
| Insurance premiums and other: | 118,731 | 230,596 |
| Insurance premiums | 114,569 | 226,324 |
| Investment income: | 173 | 3,481 |
| Interest and dividends received | 173 | 163 |
| Investment gains on money trusts | - | 3,318 |
| Other ordinary income: | 223,658 | 5,754 |
| Reversal of underwriting reserves | 221,108 | 4,772 |
| Ordinary expenses: | 335,216 | 225,716 |
| Insurance claims and other: | 107,168 | 112,019 |
| Insurance claims | 21,046 | 21,002 |
| Annuity payments | 21,035 | 22,182 |
| Benefits | 20,076 | 30,065 |
| Surrender benefits | 32,909 | 26,376 |
| Other refunds | 457 | 555 |
| Provision for underwriting reserves and other: | 640 | 782 |
| Provision for outstanding claims | 640 | 782 |
| Investment expenses: | 216,640 | 93,347 |
| Interest paid | 0 | 0 |
| Investment losses on money trusts | 35,165 | - |
| Losses on investment in separate accounts | 180,900 | 93,040 |
| Operating expenses | 10,304 | 18,520 |
| Other ordinary expenses | 462 | 1,046 |
| Ordinary profit | 7,346 | 14,116 |
| Extraordinary income | - | - |
| Extraordinary losses | 314 | 408 |
| Income before income taxes | 7,032 | 13,707 |
| Income taxes - current | 2,229 | 6,753 |
| Income taxes - deferred | 339 | (2,019) |
| Total income taxes | 2,569 | 4,733 |
| Net income | 4,463 | 8,973 |

Results for the Six Months Ended September 30, 2012**Amount of Policies in Force and New Policies**

(1) Amount of policies in force

(Yen in millions)

| | As of March 31, 2012 | | As of September 30, 2012 | |
|----------------------|--------------------------------------|-----------|--------------------------------------|-----------|
| | Number of policies (in thousands) | Amount | Number of policies (in thousands) | Amount |
| Individual Insurance | 11 | 122,251 | 39 | 268,198 |
| Individual Annuities | 434 | 3,000,286 | 436 | 2,834,867 |
| Group Insurance | — | - | — | - |
| Group Annuities | — | - | — | - |

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

(2) Amount of new policies

(Yen in millions)

| | Six months ended September 30, 2011 | | | | Six months ended September 30, 2012 | | | |
|----------------------|--------------------------------------|---------|--------------|-------------------------------|--------------------------------------|---------|--------------|-------------------------------|
| | Number of policies (in thousands) | Amount | New policies | Net increase by conversion | Number of policies (in thousands) | Amount | New policies | Net increase by conversion |
| Individual Insurance | 0 | 1,024 | 1,024 | - | 28 | 147,399 | 147,399 | - |
| Individual Annuities | 21 | 116,793 | 116,793 | - | 12 | 70,186 | 70,186 | - |
| Group Insurance | — | - | - | — | — | - | - | — |
| Group Annuities | — | - | - | — | — | - | - | — |

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

Annualized Premiums

(1) Amount of policies in force

(Yen in millions)

| | As of March 31, 2012 | As of September 30, 2012 |
|--|----------------------|--------------------------|
| Individual Insurance | 10,110 | 19,251 |
| Individual Annuities | 428,866 | 423,947 |
| Total: | 438,977 | 443,199 |
| Medical coverage, living benefits, etc. | 89 | 78 |

(2) Amount of new policies

(Yen in millions)

| | Six months ended September 30, 2011 | Six months ended September 30, 2012 |
|--|--|--|
| Individual Insurance | 92 | 9,347 |
| Individual Annuities | 49,960 | 49,355 |
| Total: | 50,052 | 58,703 |
| Medical coverage, living benefits, etc. | - | - |

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

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

Summary of Non-Consolidated Results of Operations

(Yen in millions)

| | Six months ended September 30, 2011 | Six months ended September 30, 2012 | Change |
|---|--|--|-----------|
| Fundamental revenues: | 357,597 | 256,779 | (100,818) |
| Insurance premiums and others | 118,731 | 230,596 | 111,865 |
| Fundamental expense | 343,672 | 244,143 | (99,529) |
| Fundamental profit | 13,924 | 12,635 | (1,288) |
| Capital gains (losses) | (5,630) | 4,923 | 10,554 |
| Non-recurring gains (losses) | (947) | (3,443) | (2,496) |
| Ordinary profit | 7,346 | 14,116 | 6,769 |
| Extraordinary income | - | - | - |
| Extraordinary losses | 314 | 408 | 94 |
| Provision for reserve for dividends to policyholders | - | - | - |
| Total income taxes | 2,569 | 4,733 | 2,164 |
| Net income | 4,463 | 8,973 | 4,509 |

Solvency Margin Ratio (Non-Consolidated)

(Yen in millions)

| | As of March 31, 2012 | As of September 30, 2012 |
|--|----------------------|--------------------------|
| (A) Total amount of solvency margin | 183,140 | 209,151 |
| Total capital | 60,185 | 69,158 |
| Reserve for price fluctuation | 1,912 | 2,318 |
| Contingency reserve | 29,236 | 32,679 |
| General bad debts reserve | - | - |
| Net unrealized gains/losses on securities×90% | 473 | 739 |
| Net unrealized gains/losses on land×85% | - | - |
| Excess of continued Zillmerized reserve (a) | 104,209 | 102,759 |
| Subordinated debt, etc. (b) | - | - |
| Amount excluded from the margin, out of (a) and (b) | (12,876) | - |
| Brought in capital | - | - |
| Deductions | - | - |
| Others | - | 1,495 |
| (B) Total amount of risks $\sqrt{(R_1 + R_8)^2 + (R_2 + R_3 + R_7)^2} + R_4$ | 47,226 | 58,828 |
| Insurance risk (R ₁) | 24 | 105 |
| Third sector insurance risk (R ₈) | 17 | 17 |
| Assumed interest risk (R ₂) | 9,866 | 12,415 |
| Minimum guarantee risk (R ₇) | 21,860 | 22,875 |
| Asset management risk (R ₃) | 14,123 | 22,381 |
| Business administration risk (R ₄) | 1,376 | 1,155 |
| (C) Solvency margin ratio [(A)/{(B)×1/2}]×100 | 775.5% | 711.0% |