

# Explanation for Business Results for the Three Months Ended June 30, 2012

## 1. Summary of Consolidated Business Results

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

(Yen in 100 millions)

		Three months ended June 30, 2011	Three months ended June 30, 2012	Change	Change ratio (%)
<b>Ordinary income and expenses:</b>					
<b>Underwriting income:</b>	(1)	<b>9,561</b>	<b>10,609</b>	<b>1,048</b>	<b>11.0</b>
Net premiums written	(2)	6,490	6,582	91	1.4
Deposit premiums from policyholders	(3)	481	420	(60)	(12.5)
Life insurance premiums	(4)	921	1,282	361	39.2
Reversal of outstanding claims	(5)	-	279	279	-
Reversal of underwriting reserves	(6)	1,492	1,885	393	26.4
<b>Underwriting expenses:</b>	(7)	<b>8,019</b>	<b>7,566</b>	<b>(452)</b>	<b>(5.6)</b>
Net claims paid	(8)	4,183	4,403	220	5.3
Loss adjustment expenses	(9)	335	335	(0)	(0.1)
Commission and collection expenses	(10)	1,242	1,260	17	1.4
Maturity refunds to policyholders	(11)	887	1,001	114	12.9
Life insurance claims	(12)	417	484	67	16.1
Provision for outstanding claims	(13)	924	-	(924)	(100.0)
<b>Investment income:</b>	(14)	<b>659</b>	<b>549</b>	<b>(110)</b>	<b>(16.8)</b>
Interest and dividends received	(15)	601	566	(35)	(5.9)
Investment gains on money trusts	(16)	133	3	(129)	(97.4)
Gains on sale of securities	(17)	47	87	39	82.4
Gains on derivative transactions	(18)	17	30	12	74.6
<b>Investment expenses:</b>	(19)	<b>377</b>	<b>2,148</b>	<b>1,770</b>	<b>469.3</b>
Investment losses on money trusts	(20)	6	186	180	2,865.1
Losses on sale of securities	(21)	31	16	(14)	(47.8)
Losses on devaluation of securities	(22)	109	548	439	402.2
Losses on investment in separate accounts	(23)	217	1,270	1,053	483.5
<b>Operating expenses and general and administrative expenses</b>	(24)	<b>1,278</b>	<b>1,243</b>	<b>(34)</b>	<b>(2.7)</b>
<b>Other ordinary income and expenses:</b>	(25)	<b>(15)</b>	<b>(9)</b>	<b>5</b>	<b>-</b>
Equity in earnings of affiliates	(26)	(1)	2	4	-
<b>Deferred expenses under Article 113 of the Insurance Business Act</b>	(27)	<b>(1)</b>	<b>(1)</b>	<b>0</b>	<b>-</b>
<b>Ordinary profit</b>	(28)	<b>533</b>	<b>191</b>	<b>(341)</b>	<b>(64.0)</b>
<b>Extraordinary income and losses:</b>					
<b>Extraordinary income</b>	(29)	<b>73</b>	<b>35</b>	<b>(37)</b>	<b>(51.2)</b>
<b>Extraordinary losses</b>	(30)	<b>61</b>	<b>12</b>	<b>(48)</b>	<b>(80.1)</b>
<b>Extraordinary income and losses</b>	(31)	<b>12</b>	<b>23</b>	<b>11</b>	<b>88.5</b>
<b>Income before income taxes</b>	(32)	<b>545</b>	<b>215</b>	<b>(330)</b>	<b>(60.5)</b>
<b>Income taxes</b>	(33)	<b>159</b>	<b>96</b>	<b>(63)</b>	<b>(39.5)</b>
<b>Income before minority interests</b>	(34)	<b>386</b>	<b>119</b>	<b>(267)</b>	<b>(69.2)</b>
<b>Minority interests</b>	(35)	<b>4</b>	<b>6</b>	<b>1</b>	<b>32.1</b>
<b>Net income</b>	(36)	<b>381</b>	<b>112</b>	<b>(268)</b>	<b>(70.5)</b>

(Notes)

- Net premiums written exclude Good Result Return premiums of Mitsui Sumitomo Insurance's proprietary auto insurance product "Modorich" which contains a special clause related to premium adjustment and refund at maturity.
- For the Three months ended June 30, 2012, Net claims paid( ) include losses due to the floods in Thailand in the amount of 23.6 billion yen.

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

(Yen in 100 millions)

		Three months ended June 30, 2011	Three months ended June 30, 2012	Change	Change ratio (%)
Net premiums written <small>Note 1</small>	①	6,490	6,582	91	1.4
Mitsui Sumitomo Insurance <small>Note 1</small>	②	3,179	3,241	61	1.9
Aioi Nissay Dowa Insurance	③	2,704	2,740	36	1.3
Mitsui Direct General Insurance	④	86	89	2	3.0
Overseas insurance subsidiaries	⑤	520	511	(9)	(1.7)
Ordinary profit	⑥	533	191	(341)	(64.0)
Mitsui Sumitomo Insurance	⑦	268	103	(165)	(61.5)
Aioi Nissay Dowa Insurance	⑧	211	105	(106)	(50.2)
Net income	⑨	381	112	(268)	(70.5)
Mitsui Sumitomo Insurance	⑩	186	105	(81)	(43.8)
Aioi Nissay Dowa Insurance	⑪	162	49	(112)	(69.3)
Mitsui Direct General Insurance	⑫	7	9	1	14.4
Mitsui Sumitomo Aioi Life Insurance <small>Note 2</small>	⑬	(6)	4	11	-
Mitsui Sumitomo Primary Life Insurance	⑭	44	40	(3)	(8.6)
Overseas insurance subsidiaries	⑮	17	68	51	298.3
Others	⑯	(0)	0	1	-
Consolidation adjustment / Holding Company	⑰	(30)	(165)	(135)	-

(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 Three months ended June 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)

		Three months ended June 30, 2011	Three months ended June 30, 2012	Change	Change ratio (%)
Net premiums written	①	520	511	(9)	(1.7)
Asia	②	239	232	(6)	(2.8)
Europe	③	127	140	13	10.2
Americas	④	75	74	(0)	(1.0)
Reinsurance	⑤	78	63	(14)	(18.6)
Net income	⑥	17	68	51	298.3
Asia	⑦	17	39	22	130.9
Europe	⑧	(6)	10	17	-
Americas	⑨	4	6	1	45.0
Reinsurance	⑩	2	12	9	365.9

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

(Yen in 100 millions)

		Three months ended June 30, 2011	Three months ended June 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	6,800	<b>9,623</b>	<b>2,823</b>	<b>41.5</b>	32,770
Mitsui Sumitomo Primary Life Insurance	②	555	<b>712</b>	<b>156</b>	<b>28.1</b>	2,374
Amount of policies in force				From the previous year	From the previous year	
Mitsui Sumitomo Aioi Life Insurance	③	167,174	<b>185,787</b>	<b>5,162</b>	<b>2.9</b>	180,624
Mitsui Sumitomo Primary Life Insurance	④	30,620	<b>29,783</b>	<b>(1,441)</b>	<b>(4.6)</b>	31,225
Annualized premiums for policies in force				From the previous year	From the previous year	
Mitsui Sumitomo Aioi Life Insurance	⑤	2,819	<b>2,986</b>	<b>26</b>	<b>0.9</b>	2,960
Mitsui Sumitomo Primary Life Insurance	⑥	4,363	<b>4,354</b>	<b>(35)</b>	<b>(0.8)</b>	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 Three months ended June 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)

		Three months ended June 30, 2011	Three months ended June 30, 2012	Change	Change ratio
( + ) Net premiums written	①	3,179	3,241	61	1.9
( - ) Net claims paid	②	2,071	2,236	164	7.9
( - ) Loss adjustment expenses	③	191	191	(0)	(0.0)
( - ) Commissions and collection expenses	④	575	585	10	1.8
( - ) Operating expenses and general administrative expenses for underwriting	⑤	496	499	3	0.7
Underwriting balance	⑥	(154)	(271)	(116)	-
( - ) Outstanding claims provision	⑦	556	(184)	(741)	(133.2)
( - ) Ordinary underwriting reserve	⑧	(690)	(16)	674	-
( - ) Catastrophe reserve provision	⑨	(73)	(332)	(258)	-
( + ) Other	⑩	15	(8)	(23)	(158.0)
Underwriting profit	⑪	67	252	185	276.5
( + ) Interest and dividends received	⑫	353	338	(15)	(4.3)
( - ) Transfer of investment income on deposit premium	⑬	119	114	(5)	(4.5)
Net interest and dividend income -	⑭	233	223	(9)	(4.1)
( + ) Net gains/losses on sale of securities	⑮	5	23	18	326.5
( - ) Losses on devaluation of securities	⑯	16	267	251	1,563.4
( + ) Gains/losses on derivative transactions	⑰	20	25	4	22.2
( + ) Other	⑱	(22)	(125)	(103)	-
Total investment income	⑲	221	(120)	(342)	(154.5)
( + ) Other ordinary expenses	⑳	(20)	(28)	(8)	-
Ordinary profit	㉑	268	103	(165)	(61.5)
( + ) Extraordinary income (losses)	㉒	(17)	15	33	-
Reserve for price fluctuation	㉓	3	19	15	418.0
Income before income taxes	㉔	251	119	(132)	(52.6)
( - ) Total income taxes	㉕	64	14	(50)	(78.2)
Net income	㉖	186	105	(81)	(43.8)

Ratios	Net loss ratio	⑳	71.2 %	74.9 %	3.7 %
	Net expense ratio	㉑	33.7 %	33.5 %	(0.2) %
	Combined ratio	㉒	104.9 %	108.4 %	3.5 %

(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	⑳	2,877	2,883	5	0.2
Ratios	Net loss ratio	㉑	66.1 %	71.3 %	5.2 %	
	Net expense ratio	㉒	34.5 %	34.9 %	0.4 %	
	Combined ratio	㉓	100.6 %	106.2 %	5.6 %	

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

	Net loss ratio	㉔	60.9 %	71.4 %	10.5 %	
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## (2) Net premiums written

(Yen in 100 millions)

	Net premiums written				Direct premiums written (excluding deposit premiums)			
	Three months ended June 30, 2011		Three months ended June 30, 2012		Three months ended June 30, 2011		Three months ended June 30, 2012	
	Amount	Change ratio %	Amount	Change ratio %	Amount	Change ratio %	Amount	Change ratio %
Fire and allied	432	5.2	355	(17.6)	578	7.7	576	(0.5)
Marine	139	(0.4)	135	(3.3)	191	2.0	190	(0.8)
Personal accident	367	2.7	380	3.7	385	3.6	400	3.9
Voluntary automobile	1,441	2.2	1,497	3.9	1,445	2.4	1,505	4.1
Compulsory automobile liability	302	(4.2)	358	18.6	352	3.9	392	11.2
Other	497	1.5	513	3.4	531	0.7	541	1.9
Total	3,179	1.8	3,241	1.9	3,485	3.2	3,606	3.4

## (3) Net claims paid

(Yen in 100 millions)

	Three months ended June 30, 2011			Three months ended June 30, 2012			
	Amount	Change ratio %	Net loss ratio %	Amount	Change ratio %	Net loss ratio %	Change ratio %
Fire and allied	371	122.8	88.2	529	42.6	152.1	63.9
Marine	82	18.7	62.3	64	(22.0)	50.9	(11.4)
Personal accident	186	0.1	56.8	191	2.6	55.7	(1.1)
Voluntary automobile	903	0.4	70.4	905	0.3	67.7	(2.7)
Compulsory automobile liability	333	(0.9)	119.4	340	2.3	104.0	(15.4)
Other	194	(30.8)	42.4	204	5.1	42.7	0.3
Total	2,071	6.8	71.2	2,236	7.9	74.9	3.7

(Note)1. Net claims paid during three months ended June 30, 2011 include 22.5 billion yen paid for claims by the Great East Japan Earthquake (15.5 billion yen for Residential earthquake insurance and 6.9 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)

	Three months ended June 30, 2011			Three months ended June 30, 2012		
	Incurred loss	Net claims paid	Outstanding claims	Incurred loss	Net claims paid	Outstanding claims
Fire and allied	7	1	5	135	69	66
Voluntary automobile	2	0	2	12	8	3
Other	1	0	0	5	2	3
Total	10	2	8	153	79	73

(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)

4 (Fire:2, Voluntary Auto:0, Other:0) during three months ended June 30, 2011

98 (Fire:85, Voluntary Auto:8, Other:4) during three months ended June 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			Three months ended June 30, 2012		
	Incurred loss	Net claims paid	Outstanding claims	Incurred loss	Net claims paid	Outstanding claims
Incurred loss caused by flooding in Thailand	2,342	914	1,427	(67)	214	(281)

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

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

## (4) Company expenses

&lt; Corporate expenses &gt;

(Yen in 100 millions)

		Three months ended June 30, 2011			Three months ended June 30, 2012		
		Amount	Change	Change ratio %	Amount	Change	Change ratio %
Personnel expenses	①	421	0	0.1	422	1	0.3
Non personnel	②	255	(1)	(0.7)	256	0	0.3
Taxes and contributions	③	33	(2)	(6.8)	32	(0)	(1.4)
Total	④	710	(3)	(0.6)	712	1	0.2

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

&lt; Expenses for underwriting &gt;

(Yen in 100 millions)

		Three months ended June 30, 2011			Three months ended June 30, 2012		
		Amount	Change	Change ratio %	Amount	Change	Change ratio %
Operating expenses and general administrative expenses	⑤	496	(10)	(2.0)	499	3	0.7
Commission and collection expenses	⑥	575	19	3.6	585	10	1.8
Total	⑦	1,071	9	0.9	1,085	13	1.3
Net company expense ratio	⑧	33.7 %	(0.3) %		33.5 %	(0.2) %	

(Mitsui Sumitomo Insurance Co., Ltd.)

(5) Catastrophe reserve

( Yen in 100 millions )

	As of March 31, 2012		As of June 30, 2012			
	Balance	Reserve ratio	Reversal	Provision	Balance	Reserve ratio
		%				%
Fire and allied	1,343	74.5	280	31	1,094	77.7
Marine	647	122.1	3	5	648	120.0
Personal accident	665	47.8	3	11	673	44.2
Voluntary automobile	182	3.2	164	48	66	1.1
Other	1,346	76.0	1	24	1,369	66.6
<b>Total</b>	<b>4,185</b>	<b>37.3</b>	<b>454</b>	<b>121</b>	<b>3,853</b>	<b>33.5</b>

(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 1st quarter, reserve ratio as of June 30, 2012 is calculated with four times of net written premium of three months ended June 30, 2012.

(6) Balance of invested asset

( Yen in 100 millions )

	As of March 31, 2012	As of June 30, 2012	
			Change
Cash deposits and savings	4,538	4,417	(121)
Securities	37,842	36,554	(1,287)
Domestic bonds	16,002	15,991	(10)
Domestic equity	14,176	12,678	(1,497)
Foreign securities	7,294	7,523	229
Others	370	361	(8)
Loan investments	6,243	6,165	(78)
Lands and buildings	2,340	2,317	(23)
<b>Total</b>	<b>50,965</b>	<b>49,454</b>	<b>(1,510)</b>

( Reference )

Long-term assets	17,481	17,141	(340)
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(7) Breakdown of interest and dividends

( Yen in 100 millions )

	Three months ended June 30, 2011	Three months ended June 30, 2012	
			Change
Securities	294	282	(11)
Domestic bonds	71	65	(6)
Domestic equity	161	159	(1)
Foreign securities	60	56	(3)
Others	0	0	(0)
Loan investments	31	25	(5)
Lands and buildings	15	13	(2)
Other	12	16	3
<b>Total</b>	<b>353</b>	<b>338</b>	<b>(15)</b>

## (8) Securities

## Unrealized gains and losses on securities

( Yen in 100 millions )

As of June 30, 2012	Acquisition cost	Fair value	Difference	Change from
				March 31, 2012
Domestic bonds	15,304	15,991	686	116
Domestic equity	7,127	11,968	4,841	(1,211)
Foreign securities	2,821	2,772	(49)	(60)
Others	1,142	1,188	45	(4)
Total	26,396	31,921	5,524	(1,159)

( 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 )

	Three months ended June 30, 2011 Gains and losses	Three months ended June 30, 2012 Gains and losses		
		Gains	Losses	
Domestic bonds	4	1	2	0
Domestic equity	6	22	22	0
Foreign securities	(6)	(0)	0	0
Others	-	-	-	-
Total	5	23	24	0

## Losses on devaluation of securities

( Yen in 100 millions )

	Three months ended June 30, 2011	Three months ended June 30, 2012	
		Change	
Domestic bonds	0	-	(0)
Domestic equity	14	263	249
Foreign securities	1	3	2
Others	-	-	-
Total	16	267	251

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

#### (1) Profit and loss status

(Yen in 100 millions)

		Three months ended June 30, 2011	Three months ended June 30, 2012	Change	Change ratio
( + ) Net premiums written	①	2,704	2,740	36	1.3
( - ) Net claims paid	②	1,804	1,831	27	1.5
( - ) Loss adjustment expenses	③	127	126	(0)	(0.7)
( - ) Commissions and collection expenses	④	500	501	1	0.3
( - ) Operating expenses and general administrative expenses for underwriting	⑤	480	437	(42)	(8.9)
Underwriting balance	⑥	(207)	(156)	51	-
( - ) Outstanding claims provision	⑦	353	(46)	(400)	(113.0)
( - ) Ordinary underwriting reserve	⑧	(647)	(60)	587	-
( - ) Catastrophe reserve provision	⑨	(67)	(213)	(146)	-
( + ) Other	⑩	16	(12)	(28)	(176.8)
Underwriting profit	⑪	169	150	(18)	(10.9)
( + ) Interest and dividends received	⑫	178	171	(7)	(4.0)
( - ) Transfer of investment income on deposit premium	⑬	54	52	(2)	(4.2)
Net interest and dividend income -	⑭	123	119	(4)	(3.8)
( + ) Net gains/losses on sale of securities	⑮	18	34	16	85.8
( - ) Losses on devaluation of securities	⑯	55	149	93	169.2
( + ) Gains/losses on derivative transactions	⑰	(2)	1	4	-
( + ) Other	⑱	(22)	(41)	(19)	-
Total investment income	⑲	62	(35)	(97)	(157.3)
( + ) Other ordinary expenses	⑳	(20)	(10)	10	-
Ordinary profit	㉑	211	105	(106)	(50.2)
( + ) Extraordinary income	㉒	24	10	(13)	(54.3)
Reserve for price fluctuation	㉓	33	13	(19)	(59.3)
Income before income taxes	㉔	235	116	(119)	(50.7)
( - ) Total income taxes	㉕	72	66	(6)	(8.8)
Net income	㉖	162	49	(112)	(69.3)

Ratios	Net loss ratio	⑳	71.4 %	71.4 %	0.0 %
	Net expense ratio	㉑	36.3 %	34.3 %	(2.0) %
	Combined ratio	㉒	107.7 %	105.7 %	(2.0) %

(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	⑳	2,395	2,386	(8)	(0.4)
Ratios	Net loss ratio	㉑	66.6 %	67.4 %	0.8 %	
	Net expense ratio	㉒	36.5 %	35.1 %	(1.4) %	
	Combined ratio	㉓	103.1 %	102.5 %	(0.6) %	

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

	Net loss ratio	㉔	61.7 %	67.5 %	5.8 %	
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## (2) Net premiums written

( Yen in 100 millions )

	Net premiums written				Direct premiums written (excluding deposit premiums)			
	Three months ended June 30, 2011		Three months ended June 30, 2012		Three months ended June 30, 2011		Three months ended June 30, 2012	
	Amount	Change ratio %	Amount	Change ratio %	Amount	Change ratio %	Amount	Change ratio %
Fire and allied	284	(8.1)	256	(9.9)	427	1.9	436	2.1
Marine	22	8.8	25	13.1	25	(6.4)	25	1.0
Personal accident	191	1.0	191	(0.3)	203	1.5	203	(0.4)
Voluntary automobile	1,617	(1.9)	1,636	1.2	1,574	(1.2)	1,609	2.2
Compulsory automobile liability	308	(6.7)	353	14.5	397	(3.3)	427	7.3
Other	279	(1.6)	277	(0.6)	380	(0.4)	381	0.5
Total	2,704	(2.9)	2,740	1.3	3,009	(0.8)	3,083	2.5

(Note) Change ratio of three months ended June 30, 2011 represents the comparison with simple aggregate of the amount of Aioi Insurance Co., Ltd. and Nissay Dowa general Insurance Co., Ltd. for three months ended June 30, 2010. The same applies to (3) Net claims paid and (4) Company expenses.

## (3) Net claims paid

( Yen in 100 millions )

	Three months ended June 30, 2011			Three months ended June 30, 2012			
	Amount	Change ratio %	Net loss ratio %	Amount	Change ratio %	Net loss ratio %	Change ratio %
Fire and allied	282	110.4	101.4	276	(1.9)	110.6	9.2
Marine	14	7.5	68.6	12	(15.6)	51.4	(17.2)
Personal accident	89	(1.8)	50.4	86	(3.1)	48.6	(1.8)
Voluntary automobile	951	(3.2)	63.7	971	2.2	64.1	0.4
Compulsory automobile liability	311	(0.6)	108.7	321	3.1	98.8	(9.9)
Other	154	7.4	58.8	162	4.8	61.2	2.4
Total	1,804	7.4	71.4	1,831	1.5	71.4	0.0

(Note) 1. Net claims paid during three months ended June 30, 2011 include 14.1 billion yen paid for claims by the Great East Japan Earthquake (12.3 billion yen for Residential earthquake insurance and 1.8 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 )

	Three months ended June 30, 2011			Three months ended June 30, 2012		
	Incurred loss	Net claims paid	Outstanding claims	Incurred loss	Net claims paid	Outstanding claims
Fire and allied	4	1	3	109	57	52
Voluntary automobile	0	0	0	17	10	7
Other	0	0	0	2	1	1
Total	5	1	3	129	68	60

(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)

3 (Fire:1, Voluntary Auto:0, Other:1) during three months ended June 30, 2011

80 (Fire:68, Voluntary Auto:10, Other:2) during three months ended June 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			Three months ended June 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	(13)	22	(35)

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

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

## (4) Company expenses

( Yen in 100 millions )

&lt; Corporate expenses &gt;

		Three months ended June 30, 2011			Three months ended June 30, 2012		
		Amount	Change	Change ratio %	Amount	Change	Change ratio %
Personnel expenses	①	323	(6)	(1.9)	300	(23)	(7.3)
Non personnel	②	274	(0)	(0.3)	253	(21)	(7.7)
Taxes and contributions	③	30	(1)	(3.9)	28	(2)	(8.4)
Total	④	629	(8)	(1.3)	581	(47)	(7.5)

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

&lt; Expenses for underwriting &gt;

( Yen in 100 millions )

		Three months ended June 30, 2011			Three months ended June 30, 2012		
		Amount	Change	Change ratio %	Amount	Change	Change ratio %
Operating expenses and general administrative expenses	⑤	480	9	2.0	437	(42)	(8.9)
Commission and collection expenses	⑥	500	(16)	(3.2)	501	1	0.3
Total	⑦	980	(7)	(0.7)	938	(41)	(4.2)
Net company expense ratio	⑧	36.3 %	0.8 %		34.3 %	(2.0) %	

## (5) Catastrophe reserve

( Yen in 100 millions )

	As of March 31, 2012		As of June 30, 2012			
	Balance	Reserve ratio	Reversal	Provision	Balance	Reserve ratio
		%				%
Fire and allied	1,349	114.4	141	15	1,222	120.8
Marine	129	149.1	0	0	129	128.6
Personal accident	543	74.9	-	6	549	71.9
Voluntary automobile	203	3.2	153	52	103	1.6
Other	514	53.1	5	12	521	47.0
Total	2,741	29.5	301	87	2,527	26.5

(Note) Reserve ratio = (Balance of catastrophe reserve / (net premiums written (excluding Residential earthquake Insurance and CALI))) × 100

In case of the 1st quarter, reserve ratio as of June 30, 2012 is calculated with four times of net written premium of three months ended June 30, 2012.

## (6) Balance of invested asset

( Yen in 100 millions )

	As of March 31, 2012	As of June 30, 2012	
			Change
Cash deposits and savings	1,479	1,160	(319)
Securities	20,666	19,778	(888)
Domestic bonds	7,468	7,459	(9)
Domestic equity	6,022	5,467	(555)
Foreign securities	6,379	6,110	(268)
Others	795	740	(55)
Loan investments	2,745	2,678	(66)
Lands and buildings	1,828	1,811	(17)
Total	26,720	25,428	(1,291)

( Reference )

Long-term assets	6,651	6,546	(105)
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## (7) Breakdown of interest and dividends

( Yen in 100 millions )

	Three months ended June 30, 2011	Three months ended June 30, 2012	
			Change
Securities	147	146	(0)
Domestic bonds	25	22	(2)
Domestic equity	75	79	4
Foreign securities	46	41	(5)
Others	0	2	2
Loan investments	14	11	(2)
Lands and buildings	13	12	(1)
Other	3	0	(2)
Total	178	171	(7)

## (8) Securities

## Unrealized gains and losses on securities

( Yen in 100 millions )

As of June 30, 2012	Acquisition cost	Fair value	Difference	Change from
				March 31, 2011
Domestic bonds	7,228	7,459	231	33
Domestic equity	4,676	5,153	476	(369)
Foreign securities	6,143	5,672	(470)	(124)
Others	707	610	(97)	(39)
Total	18,755	18,895	139	(499)

( 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 )

	Three months ended June 30, 2011 Gains and losses	Three months ended June 30, 2012		
		Gains and losses	Gains	Losses
Domestic bonds	1	22	22	0
Domestic equity	13	10	11	0
Foreign securities	4	1	12	10
Others	-	-	-	-
Total	18	34	46	11

## Losses on devaluation of securities

( Yen in 100 millions )

	Three months ended June 30, 2011	Three months ended June 30, 2012	
			Change
Domestic bonds	-	-	-
Domestic equity	55	132	77
Foreign securities	-	11	11
Others	0	5	5
Total	55	149	93

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

Consolidated

(Yen in millions)

Lines of Insurance	Three months ended June 30, 2011			Three months ended June 30, 2012		
	Amount	Share %	Change %	Amount	Share %	Change %
Fire and Allied	128,642	16.7	2.3	128,769	16.4	0.1
Marine	29,301	3.8	0.5	28,976	3.7	(1.1)
Personal Accident	98,031	12.7	(7.0)	93,653	11.9	(4.5)
Voluntary Automobile	329,952	42.7	0.4	341,119	43.3	3.4
Compulsory Automobile Liability	75,053	9.7	(0.0)	81,918	10.4	9.1
Other	111,614	14.4	1.3	112,259	14.3	0.6
<b>Total</b>	<b>772,595</b>	<b>100.0</b>	<b>(0.2)</b>	<b>786,697</b>	<b>100.0</b>	<b>1.8</b>
Deposit premiums from policyholders	48,122	6.2	(19.8)	42,093	5.4	(12.5)

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

Voluntary Automobile	330,386		0.6	341,718		3.4
<b>Total</b>	<b>773,029</b>		<b>(0.1)</b>	<b>787,296</b>		<b>1.8</b>

**Net Premiums Written by Lines of Insurance**

(Yen in millions)

Lines of Insurance	Three months ended June 30, 2011			Three months ended June 30, 2012		
	Amount	Share %	Change %	Amount	Share %	Change %
Fire and Allied	83,118	12.8	(0.7)	72,129	11.0	(13.2)
Marine	23,552	3.6	(0.7)	22,280	3.4	(5.4)
Personal Accident	58,030	9.0	2.7	59,232	9.0	2.1
Voluntary Automobile	332,483	51.3	0.1	341,971	52.0	2.9
Compulsory Automobile Liability	61,162	9.4	(5.5)	71,297	10.8	16.6
Other	90,312	13.9	(3.0)	90,766	13.8	0.5
<b>Total</b>	<b>648,658</b>	<b>100.0</b>	<b>(0.8)</b>	<b>657,677</b>	<b>100.0</b>	<b>1.4</b>

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

Voluntary Automobile	332,917		0.4	342,570		2.9
<b>Total</b>	<b>649,092</b>		<b>(0.7)</b>	<b>658,276</b>		<b>1.4</b>

**Net Claims Paid by Lines of Insurance**

(Yen in millions)

Lines of Insurance	Three months ended June 30, 2011			Three months ended June 30, 2012		
	Amount	Share %	Change %	Amount	Share %	Change %
Fire and Allied	69,436	16.6	100.5	87,615	19.9	26.2
Marine	12,822	3.1	17.3	10,227	2.3	(20.2)
Personal Accident	28,161	6.7	(0.7)	28,471	6.5	1.1
Voluntary Automobile	201,768	48.2	(0.6)	204,069	46.3	1.1
Compulsory Automobile Liability	64,613	15.5	(0.7)	66,360	15.1	2.7
Other	41,522	9.9	(14.6)	43,634	9.9	5.1
<b>Total</b>	<b>418,325</b>	<b>100.0</b>	<b>7.1</b>	<b>440,379</b>	<b>100.0</b>	<b>5.3</b>

(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 June 30, 2012		
	Acquisition cost	Fair value	Difference	Acquisition cost	Fair value	Difference
Domestic Bonds	3,558,858	3,681,974	123,116	3,540,842	3,690,607	149,765
Domestic Stocks	1,325,292	1,917,345	592,053	1,267,688	1,712,691	445,002
Foreign Securities	1,232,832	1,239,740	6,907	1,231,810	1,220,012	(11,797)
Others	189,801	189,862	61	185,650	181,231	(4,419)
Total	6,306,785	7,028,923	722,137	6,225,990	6,804,542	578,551

As of March 31, 2012	As of June 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 include certificate 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>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 include certificate 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 50,912 million yen; 48,712 million yen for domestic stocks, 1,687 million yen for foreign securities, 512 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	Three months ended June 30, 2011	Three months ended June 30, 2012
	Amount	Amount
<b>Ordinary income:</b>	<b>486,414</b>	<b>482,500</b>
<b>Underwriting income:</b>	<b>458,032</b>	<b>454,230</b>
Net premiums written	317,544	323,532
Deposit premiums from policyholders	36,166	31,283
Investment income on deposit premiums from policyholders	11,958	11,414
Reversal of outstanding claims	-	18,477
Reversal of underwriting reserves	92,343	69,494
<b>Investment income:</b>	<b>27,695</b>	<b>27,579</b>
Interest and dividends received	35,313	33,808
Investment gains on money trusts	47	0
Gains on sale of securities	1,648	2,441
Gains on derivative transactions	2,081	2,542
Transfer of investment income on deposit premiums from policyholders	(11,958)	(11,414)
<b>Other ordinary income</b>	<b>686</b>	<b>690</b>
<b>Ordinary expenses:</b>	<b>459,562</b>	<b>472,161</b>
<b>Underwriting expenses:</b>	<b>402,013</b>	<b>380,146</b>
Net claims paid	207,196	223,652
Loss adjustment expenses	19,106	19,103
Commission and collection expenses	57,557	58,577
Maturity refunds to policyholders	61,634	75,083
Provision for outstanding claims	55,695	-
<b>Investment expenses:</b>	<b>3,733</b>	<b>38,059</b>
Investment losses on money trusts	26	95
Losses on sale of securities	1,095	79
Losses on devaluation of securities	1,610	26,785
<b>Operating expenses and general and   administrative expenses</b>	<b>51,953</b>	<b>52,120</b>
<b>Other ordinary expenses:</b>	<b>1,862</b>	<b>1,834</b>
Interest paid	525	1,807
<b>Ordinary profit</b>	<b>26,852</b>	<b>10,339</b>
<b>Extraordinary income</b>	<b>735</b>	<b>2,412</b>
<b>Extraordinary losses</b>	<b>2,474</b>	<b>848</b>
<b>Income before income taxes</b>	<b>25,112</b>	<b>11,904</b>
<b>Income taxes</b>	<b>6,434</b>	<b>1,404</b>
<b>Net income</b>	<b>18,678</b>	<b>10,500</b>

**Solvency Margin Ratio (Non-Consolidated)**

(Yen in millions)

	As of March 31, 2012	As of June 30, 2012
(A) Total amount of solvency margin	1,656,380	1,529,687
Total net assets	445,809	456,310
Reserve for price fluctuation	2,639	658
Contingency reserve	-	-
Catastrophe reserve	429,083	396,247
General bad debts reserve	1,029	1,030
Net unrealized gains/losses on securities (Prior to tax effect deductions)	598,943	491,862
Net unrealized gains/losses on land	36,478	36,437
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	40,130
Others	76,303	81,080
(B) Total amount of risks	680,488	630,237
$\sqrt{(R_1 + R_2)^2 + (R_3 + R_4)^2} + R_5 + R_6$		
General insurance risk (R <sub>1</sub> )	107,837	108,223
Third sector insurance risk (R <sub>2</sub> )	-	-
Assumed interest risk (R <sub>3</sub> )	21,492	21,270
Asset management risk (R <sub>4</sub> )	470,525	458,996
Business administration risk (R <sub>5</sub> )	22,620	14,243
Catastrophe risk (R <sub>6</sub> )	154,171	123,684
(C) Solvency margin ratio [(A)/{(B)×1/2}]×100	486.8%	485.4%

(Note) Some risks as of June 30, 2012 such as Catastrophe risk(R<sub>6</sub>) are calculated using simplified methods.

**Non-Consolidated Statements of Income**

(Yen in millions)

Items	Three months ended June 30, 2011	Three months ended June 30, 2012
	Amount	Amount
<b>Ordinary income:</b>	<b>389,270</b>	<b>349,967</b>
<b>Underwriting income:</b>	<b>370,962</b>	<b>332,630</b>
Net premiums written	270,442	274,059
Deposit premiums from policyholders	11,956	10,810
Investment income on deposit premiums from policyholders	5,466	5,235
Reversal of outstanding claims	-	4,608
Reversal of underwriting reserves	82,564	37,797
<b>Investment income:</b>	<b>17,767</b>	<b>16,762</b>
Interest and dividends received	17,847	17,142
Investment gains on money trusts	0	0
Gains on sale of securities	5,374	4,659
Gains on derivative transactions	-	172
Transfer of investment income on deposit premiums from policyholders	(5,466)	(5,235)
<b>Other ordinary income</b>	<b>541</b>	<b>573</b>
<b>Ordinary expenses:</b>	<b>368,146</b>	<b>339,454</b>
<b>Underwriting expenses:</b>	<b>307,320</b>	<b>274,361</b>
Net claims paid	180,416	183,171
Loss adjustment expenses	12,732	12,641
Commission and collection expenses	50,025	50,162
Maturity refunds to policyholders	27,067	25,042
Provision for outstanding claims	35,391	-
<b>Investment expenses:</b>	<b>9,711</b>	<b>18,793</b>
Losses on sale of securities	3,496	1,169
Losses on devaluation of securities	5,553	14,951
Losses on derivative transactions	262	-
<b>Operating expenses and general and   administrative expenses</b>	<b>50,180</b>	<b>45,546</b>
<b>Other ordinary expenses:</b>	<b>933</b>	<b>753</b>
Interest paid	0	0
<b>Ordinary profit</b>	<b>21,124</b>	<b>10,512</b>
<b>Extraordinary income</b>	<b>3,612</b>	<b>1,454</b>
<b>Extraordinary losses</b>	<b>1,208</b>	<b>356</b>
<b>Income before income taxes</b>	<b>23,528</b>	<b>11,610</b>
<b>Income taxes</b>	<b>7,264</b>	<b>6,621</b>
<b>Net income</b>	<b>16,264</b>	<b>4,989</b>



**Solvency Margin Ratio (Non-Consolidated)**

(Yen in millions)

	As of March 31, 2012	As of June 30, 2012
(A) Total amount of solvency margin	758,104	698,077
Total net assets	359,526	364,516
Reserve for price fluctuation	1,798	437
Contingency reserve	693	693
Catastrophe reserve	281,338	260,309
General bad debts reserve	365	344
Net unrealized gains/losses on securities (Prior to tax effect deductions)	57,792	12,790
Net unrealized gains/losses on land	4,477	4,540
Excess of policyholders' contract deposits (a)	-	-
Subordinated debts, etc. (b)	-	-
Amount excluded from the margin, out of (a) and (b)	-	-
Deductions	11,673	11,594
Others	63,786	66,039
(B) Total amount of risks	342,539	284,525
$\sqrt{(R_1 + R_2)^2 + (R_3 + R_4)^2} + R_5 + R_6$		
General insurance risk (R <sub>1</sub> )	101,167	101,228
Third sector insurance risk (R <sub>2</sub> )	-	-
Assumed interest risk (R <sub>3</sub> )	11,032	10,870
Asset management risk (R <sub>4</sub> )	171,111	158,453
Business administration risk (R <sub>5</sub> )	12,160	7,015
Catastrophe risk (R <sub>6</sub> )	122,024	80,233
(C) Solvency margin ratio [(A)/{(B)×1/2}]×100	442.6%	490.6%

(Note) Some risks as of June 30, 2012 such as Catastrophe risk(R<sub>6</sub>) are calculated using simplified methods.

**Non-Consolidated Statements of Income**

(Yen in millions)

Items	Three months ended June 30, 2011	Three months ended June 30, 2012
	Amount	Amount
<b>Ordinary income:</b>	<b>9,329</b>	<b>9,887</b>
<b>Underwriting income:</b>	<b>9,282</b>	<b>9,846</b>
Net premiums written	8,677	8,936
Investment income on deposit premiums from policyholders	3	3
Reversal of outstanding claims	156	361
Reversal of underwriting reserves	445	544
<b>Investment income:</b>	<b>47</b>	<b>40</b>
Interest and dividends received	50	43
Transfer of investment income on deposit premiums from policyholders	(3)	(3)
<b>Other ordinary income</b>	<b>0</b>	<b>1</b>
<b>Ordinary expenses:</b>	<b>8,242</b>	<b>8,639</b>
<b>Underwriting expenses:</b>	<b>6,391</b>	<b>6,797</b>
Net claims paid	5,798	6,193
Loss adjustment expenses	531	550
Commission and collection expenses	60	54
<b>Investment expenses</b>	<b>-</b>	<b>-</b>
<b>Operating expenses and general and administrative expenses</b>	<b>1,850</b>	<b>1,840</b>
<b>Other ordinary expenses</b>	<b>0</b>	<b>1</b>
<b>Ordinary profit</b>	<b>1,087</b>	<b>1,247</b>
<b>Extraordinary income</b>	<b>-</b>	<b>-</b>
<b>Extraordinary losses</b>	<b>5</b>	<b>1</b>
<b>Income before income taxes</b>	<b>1,082</b>	<b>1,246</b>
<b>Income taxes - current</b>	<b>4</b>	<b>13</b>
<b>Total income taxes</b>	<b>4</b>	<b>13</b>
<b>Net income</b>	<b>1,078</b>	<b>1,233</b>

**Solvency Margin Ratio (Non-Consolidated)**

(Yen in millions)

	As of March 31, 2012	As of June 30, 2012
(A) Total amount of solvency margin	11,820	12,312
Total net assets	10,350	11,583
Reserve for price fluctuation	22	23
Contingency reserve	0	0
Catastrophe reserve	1,099	301
General bad debts reserve	1	1
Net unrealized gains/losses on securities (Prior to tax effect deductions)	346	402
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	5,571
$\sqrt{(R_1 + R_2)^2 + (R_3 + R_4)^2} + R_5 + R_6$		
General insurance risk (R <sub>1</sub> )	5,065	5,065
Third sector insurance risk (R <sub>2</sub> )	-	-
Assumed interest risk (R <sub>3</sub> )	0	0
Asset management risk (R <sub>4</sub> )	525	537
Business administration risk (R <sub>5</sub> )	176	177
Catastrophe risk (R <sub>6</sub> )	300	300
(C) Solvency margin ratio [(A)/{(B)×1/2}]×100	424.4%	441.9%

(Note) Some risks as of June 30, 2012 such as Assumed interest risk(R<sub>3</sub>) are calculated using simplified methods.

**Non-Consolidated Statements of Income**

(Yen in millions)

Items	Three months ended June 30, 2011	Three months ended June 30, 2012
	Amount (Simple Combination)	Amount
<b>Ordinary income:</b>	<b>98,308</b>	<b>106,686</b>
<b>Insurance premiums and other:</b>	<b>89,047</b>	<b>95,821</b>
Insurance premiums	88,962	95,679
<b>Investment income:</b>	<b>7,982</b>	<b>10,629</b>
Interest and dividends received	7,852	8,392
Gains on sale of securities	120	2,234
<b>Other ordinary income:</b>	<b>1,278</b>	<b>235</b>
Reversal of outstanding claims	1,186	-
<b>Ordinary expenses:</b>	<b>96,489</b>	<b>103,648</b>
<b>Insurance claims and other:</b>	<b>40,574</b>	<b>40,889</b>
Insurance claims	10,254	10,795
Annuity payments	1,307	2,008
Benefits	2,930	2,550
Surrender benefits	25,493	24,939
Other refunds	292	374
<b>Provision for underwriting reserves and other:</b>	<b>37,951</b>	<b>43,801</b>
Provision for outstanding claims	-	947
Provision for underwriting reserves	37,951	42,852
Provision of interest portion of reserves for dividends to policyholders	0	0
<b>Investment expenses:</b>	<b>279</b>	<b>78</b>
Interest paid	12	68
Losses on sale of securities	188	2
<b>Operating expenses</b>	<b>16,391</b>	<b>17,267</b>
<b>Other ordinary expenses</b>	<b>1,292</b>	<b>1,611</b>
<b>Ordinary profit</b>	<b>1,818</b>	<b>3,038</b>
<b>Extraordinary income</b>	<b>1</b>	<b>0</b>
<b>Extraordinary losses</b>	<b>1,613</b>	<b>99</b>
<b>Provision for reserve for dividends to policyholders</b>	<b>1,210</b>	<b>2,144</b>
<b>Income (loss) before income taxes</b>	<b>(1,003)</b>	<b>794</b>
<b>Income taxes</b>	<b>(314)</b>	<b>332</b>
<b>Net income (loss)</b>	<b>(688)</b>	<b>462</b>

**Results for the Three Months Ended June 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 June 30, 2012	
	Number of policies (in thousands)	Amount	Number of policies (in thousands)	Amount
Individual Insurance	2,049	17,359,229	2,093	17,868,366
Individual Annuities	172	703,269	174	710,336
Group Insurance	-	4,996,365	-	4,939,561
Group Annuities	-	477	-	459

- (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)

	Three months ended June 30, 2011 (Simple Combination)				Three months ended June 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	77	651,124	651,124	-	75	945,556	945,556	-
Individual Annuities	6	28,901	28,901	-	3	16,838	16,838	-
Group Insurance	-	8,413	8,413	-	-	672,307	672,307	-
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 June 30, 2012
Individual Insurance	256,438	258,684
Individual Annuities	39,562	39,916
Total:	296,000	298,601
Medical coverage, living benefits, etc.	51,959	52,579

## (2) Amount of new policies

(Yen in millions)

	Three months ended June 30, 2011 (Simple Combination)	Three months ended June 30, 2012
Individual Insurance	8,440	8,607
Individual Annuities	1,549	931
Total:	9,990	9,539
Medical coverage, living benefits, etc.	1,972	1,491

- (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)

	Three months ended June 30, 2011 (Simple Combination)	Three months ended June 30, 2012	Change
Fundamental revenues:	98,180	104,451	6,271
Insurance premiums and other	89,047	95,821	6,774
Fundamental expense	96,006	103,257	7,250
Fundamental profit	2,174	1,194	(979)
Capital gains (losses)	(62)	2,230	2,293
Non-recurring gains (losses)	(293)	(387)	(94)
Ordinary profit	1,818	3,038	1,219
Extraordinary income	1	0	(1)
Extraordinary losses	1,613	99	(1,514)
Provision for reserve for dividends to policyholders	1,210	2,144	933
Income taxes	(314)	332	647
Net income (loss)	(688)	462	1,150

**Solvency Margin Ratio (Non-Consolidated)**

(Yen in millions)

	As of March 31, 2012	As of June 30, 2012
(A) Total amount of solvency margin	223,803	233,903
Total capital	63,056	63,519
Reserve for price fluctuation	2,962	3,061
Contingency reserve	19,754	20,141
General bad debts reserve	37	35
Net unrealized gains/losses on securities×90%	51,144	59,436
Net unrealized gains/losses on land×85%	-	-
Excess of continued Zillmerized reserve (a)	109,878	113,583
Subordinated debt, etc. (b)	-	-
Amount excluded from the margin, out of (a) and (b)	(23,568)	(26,368)
Brought in capital	-	-
Deductions	-	-
Others	536	493
(B) Total amount of risks $\sqrt{(R_1 + R_8)^2 + (R_2 + R_3 + R_7)^2} + R_4$	36,904	37,277
Insurance risk (R <sub>1</sub> )	12,655	12,899
Third sector insurance risk (R <sub>8</sub> )	4,229	4,329
Assumed interest risk (R <sub>2</sub> )	2,888	2,895
Minimum guarantee risk (R <sub>7</sub> )	-	-
Asset management risk (R <sub>3</sub> )	28,295	28,507
Business administration risk (R <sub>4</sub> )	1,442	1,458
(C) Solvency margin ratio [(A)/{(B)×1/2}]×100	1,212.8%	1,254.9%

**Non-Consolidated Statements of Income**

(Yen in millions)

Items	Three months ended June 30, 2011	Three months ended June 30, 2012
	Amount	Amount
<b>Ordinary income:</b>	<b>89,093</b>	<b>211,777</b>
<b>Insurance premiums and other:</b>	<b>56,378</b>	<b>77,347</b>
Insurance premiums	54,541	75,229
<b>Investment income:</b>	<b>12,756</b>	<b>78</b>
Interest and dividends received	104	78
Investment gains on money trusts	12,651	-
<b>Other ordinary income:</b>	<b>19,958</b>	<b>134,351</b>
Reversal of outstanding claims	24	975
Reversal of underwriting reserves	18,661	132,938
<b>Ordinary expenses:</b>	<b>82,003</b>	<b>205,215</b>
<b>Insurance claims and other:</b>	<b>54,787</b>	<b>52,940</b>
Insurance claims	10,101	10,486
Annuity payments	9,778	10,378
Benefits	9,269	14,478
Surrender benefits	19,513	11,346
Other refunds	206	284
<b>Investment expenses:</b>	<b>22,014</b>	<b>145,594</b>
Interest paid	0	0
Investment losses on money trusts	-	18,210
Losses on investment in separate accounts	21,780	127,080
<b>Operating expenses</b>	<b>4,977</b>	<b>6,290</b>
<b>Other ordinary expenses</b>	<b>224</b>	<b>389</b>
<b>Ordinary profit</b>	<b>7,090</b>	<b>6,561</b>
<b>Extraordinary income</b>	-	-
<b>Extraordinary losses</b>	<b>149</b>	<b>179</b>
<b>Income before income taxes</b>	<b>6,940</b>	<b>6,382</b>
<b>Income taxes</b>	<b>2,517</b>	<b>2,338</b>
<b>Net income</b>	<b>4,423</b>	<b>4,043</b>

**Results for the Three Months Ended June 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 June 30, 2012	
	Number of policies (in thousands)	Amount	Number of policies (in thousands)	Amount
Individual Insurance	11	122,251	18	154,272
Individual Annuities	434	3,000,286	436	2,824,068
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)

	Three months ended June 30, 2011				Three months ended June 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	366	366	-	7	33,723	33,723	-
Individual Annuities	9	55,233	55,233	-	6	37,516	37,516	-
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 June 30, 2012
Individual Insurance	10,110	12,149
Individual Annuities	428,866	423,263
Total:	438,977	435,413
Medical coverage, living benefits, etc.	89	79

(2) Amount of new policies

(Yen in millions)

	Three months ended June 30, 2011	Three months ended June 30, 2012
Individual Insurance	31	2,197
Individual Annuities	24,539	24,811
Total:	24,571	27,008
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)

	Three months ended June 30, 2011	Three months ended June 30, 2012	Change
Fundamental revenues:	89,731	220,662	130,931
Insurance premiums and other	56,378	77,347	20,969
Fundamental expense	81,868	213,517	131,649
Fundamental profit	7,862	7,144	(717)
Capital gains (losses)	(215)	237	453
Non-recurring gains (losses)	(556)	(820)	(264)
Ordinary profit	7,090	6,561	(528)
Extraordinary income	-	-	-
Extraordinary losses	149	179	29
Provision for reserve for dividends to policyholders	-	-	-
Income taxes	2,517	2,338	(178)
Net income	4,423	4,043	(380)

**Solvency Margin Ratio (Non-Consolidated)**

(Yen in millions)

	As of March 31, 2012	As of June 30, 2012
(A) Total amount of solvency margin	183,140	193,427
Total capital	60,185	64,228
Reserve for price fluctuation	1,912	2,089
Contingency reserve	29,236	30,057
General bad debts reserve	-	-
Net unrealized gains/losses on securities×90%	473	678
Net unrealized gains/losses on land×85%	-	-
Excess of continued Zillmerized reserve (a)	104,209	97,338
Subordinated debt, etc. (b)	-	-
Amount excluded from the margin, out of (a) and (b)	(12,876)	(963)
Brought in capital	-	-
Deductions	-	-
Others	-	-
(B) Total amount of risks $\sqrt{(R_1 + R_8)^2 + (R_2 + R_3 + R_7)^2} + R_4$	47,226	50,336
Insurance risk (R <sub>1</sub> )	24	38
Third sector insurance risk (R <sub>8</sub> )	17	17
Assumed interest risk (R <sub>2</sub> )	9,866	10,206
Minimum guarantee risk (R <sub>7</sub> )	21,860	22,416
Asset management risk (R <sub>3</sub> )	14,123	16,245
Business administration risk (R <sub>4</sub> )	1,376	1,467
(C) Solvency margin ratio [(A)/{(B)×1/2}]×100	775.5%	768.5%