

[Translation]

SUMMARY OF FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED DECEMBER 31, 2014

February 13, 2015

Name of Listed Company: **MS&AD Insurance Group Holdings, Inc.**
 Stock Exchange Listing: Tokyo Stock Exchange and Nagoya Stock Exchange
 Securities Code Number: 8725
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Scheduled date to file the quarterly financial report: February 13, 2015
 Scheduled date to commence dividend payments: -
 Explanatory material for business results: Available
 IR Conference (for institutional investors and analysts): To be held

(Note) Amounts of less than one million yen are truncated.

1. Consolidated Financial Highlights for the Nine Months Ended December 31, 2014 (April 1, 2014 to December 31, 2014)

(1) Consolidated business performance

(Yen in millions)

	Ordinary income		Ordinary profit/(loss)		Net income/(loss)	
Nine months ended December 31, 2014	3,626,301	10.1 %	294,078	24.0 %	206,669	29.5 %
Nine months ended December 31, 2013	3,292,620	6.8 %	237,100	62.5 %	159,587	69.1 %

Percent figures represent changes from the corresponding period of the preceding year.

(Note) Comprehensive income/(loss) For the nine months ended December 31, 2014: ¥ 651,814 million 31.5 %
 For the nine months ended December 31, 2013: ¥ 495,654 million 198.3 %

(Yen)

	Net income/(loss) per share - Basic	Net income/(loss) per share - Diluted
Nine months ended December 31, 2014	335.15	-
Nine months ended December 31, 2013	257.05	-

(2) Consolidated financial conditions

(Yen in millions)

	Total assets	Net assets	Ratio of net assets less minority interests to total assets
December 31, 2014	18,387,878	2,877,948	15.5 %
March 31, 2014	16,878,148	2,285,832	13.4 %

(Reference) Net assets less minority interests As of December 31, 2014: ¥ 2,851,590 million
 As of March 31, 2014: ¥ 2,260,324 million

2. Dividends

(Yen)

	Dividends per share				
	1st quarter	2nd quarter	3rd quarter	4th quarter	Annual total
Year ended March 31, 2014	-	28.00	-	28.00	56.00
Year ending March 31, 2015	-	29.00	-		
Year ending March 31, 2015 (Forecast)				29.00	58.00

(Note) Revision of the latest announced dividends per share forecast: None

3. Consolidated Earnings Forecasts for the Year Ending March 31, 2015 (April 1, 2014 to March 31, 2015)

(Yen in millions)

	Ordinary profit		Net income		Net income per share (Yen)
Year ending March 31, 2015	230,000	20.9 %	120,000	28.4 %	194.95

Percent figures represent changes from the preceding year.

(Note) Revision of the latest announced earnings forecasts: None

*** Notes**

(1) Changes in significant subsidiaries for the period (changes in specified subsidiaries resulting in changes in scope of consolidation): None

(2) Adoption of special accounting methods allowed to be applied to quarterly consolidated financial statements: Yes

(Note) For details, please refer to “(1) Adoption of Special Accounting Methods Allowed to be Applied to Quarterly Consolidated Financial Statements” on page 2 of the Appendix.

(3) Changes in accounting policies and accounting estimates and restatements

1. Changes in accounting policies due to revisions of accounting standards: None

2. Changes in accounting policies other than above: Yes

3. Changes in accounting estimates: None

4. Restatements: None

(Note) For details, please refer to “(2) Changes in Accounting Policies and Accounting Estimates and Restatements” on page 2 of the Appendix.

(4) Number of shares of issued stock (common stock)

1. Number of shares of issued stock (including treasury stock)

As of December 31, 2014: 633,291,754 shares

As of March 31, 2014: 633,291,754 shares

2. Number of shares of treasury stock

As of December 31, 2014: 21,091,393 shares

As of March 31, 2014: 13,383,033 shares

3. Average number of shares of outstanding stock

For the nine months ended December 31, 2014: 616,646,524 shares

For the nine months ended December 31, 2013: 620,830,690 shares

*** Disclosure regarding the execution of the quarterly review process**

This report is outside the scope of the external auditor's quarterly review process required by “Financial Instruments and Exchange Act” but the review process for the quarterly consolidated financial statements under “Financial Instruments and Exchange Act” has been completed as of the disclosure date of the report.

*** Notes to the earnings forecasts**

Any earnings forecasts in this report have been made based on the information available to the Company as of the disclosure date of the report and certain assumptions, and therefore do not guarantee future performance. Actual results may differ substantially from these forecasts depending on various factors. The forecast of consolidated ordinary income for the current fiscal year is not disclosed due to difficulties in calculating reasonable forecast figures stemming from a high susceptibility to natural disasters and market conditions.

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1. Qualitative Information on Business Results

(1) Explanation for Business Performance

During the nine months ended December 31, 2014, the Japanese economy saw improvements in corporate earnings and capital expenditures while a slowdown was shown in consumer spending.

In this business environment, the business performance of the Group for the nine months ended December 31, 2014 was as follows.

Underwriting income was ¥2,921.8 billion (of which net premiums written were ¥2,197.0 billion), investment income was ¥695.0 billion and other ordinary income was ¥9.3 billion, resulting in total ordinary income of ¥3,626.3 billion. Ordinary expenses amounted to ¥3,332.2 billion. This breaks down into underwriting expenses of ¥2,890.6 billion (of which net claims paid were ¥1,239.1 billion), investment expenses of ¥15.0 billion, operating expenses and general and administrative expenses of ¥418.5 billion and other ordinary expenses of ¥7.9 billion.

As a result, the Company posted an ordinary profit of ¥294.0 billion, marking an increase of ¥56.9 billion from the same period last year. After factoring in extraordinary income and losses, income taxes and other factors, net income of ¥206.6 billion was reported with an increase of ¥47.0 billion year on year.

(2) Explanation for Financial Conditions

As of December 31, 2014, total assets stood at ¥18,387.8 billion with an increase of ¥1,509.7 billion from March 31, 2014, and net assets stood at ¥2,877.9 billion with an increase of ¥592.1 billion from March 31, 2014 primarily due to an increase in net unrealized gains on investments in securities.

(3) Explanation for Future Forecast Information including Consolidated Earnings Forecasts

The Company keeps the forecasts of ordinary profit of ¥230.0 billion and net income of ¥120.0 billion on a consolidated basis for the year ending March 31, 2015 unchanged from the forecasts announced on November 19, 2014.

2. Notes to Summary of Financial Statements

(1) Adoption of Special Accounting Methods Allowed to be Applied to Quarterly Consolidated Financial Statements

(Calculation of income tax expenses)

The domestic consolidated companies calculate their income tax expenses primarily by multiplying income before income taxes by the effective income tax rate, after adding or deducting the permanent difference if this amount is significant.

(2) Changes in Accounting Policies and Accounting Estimates and Restatements

(Changes in accounting policies)

As the Accounting Standard for Business Combination (ASBJ Statement No.21 issued on September 13, 2013, the “Business Combination Accounting Standard”), the Accounting Standard for Consolidated Financial Statements (ASBJ Statement No.22 on September 13, 2013, the “Consolidation Accounting Standard”) and the Accounting Standard for Business Divestitures (ASBJ Statement No.7 on September 13, 2013, the “Business Divestitures Accounting Standard”) etc. became applicable from the beginning of the year commencing on or after April 1, 2014, the Company has adopted these accounting standards (however, except for the provisions stated in the Paragraph 39 of the “Consolidation Accounting Standard”) since the first quarter of the current consolidated fiscal year, and has implemented a new accounting method where differences due to changes in the Company’s ownership interests in subsidiaries continuously under control are accounted for as capital surplus and where acquisition-related costs are accounted for as expenses for the fiscal year when the costs incurred. Regarding business combinations occurring at or after the beginning of the first quarter of the current consolidated fiscal year, the Company has also implemented a new accounting method where the reviewed allocation of acquisition costs due to the finalization of the provisional accounting treatment are reflected in the quarterly consolidated financial statements for the accounting period in which the business combination occurs.

In accordance with the transitional accounting treatments prescribed in Paragraph 58-2 (3) of the “Business Combination Accounting Standard”, Paragraph 44-5 (3) of the “Consolidation Accounting Standard” and Paragraph 57-4 (3) of the “Business Divestitures Accounting Standard”, the cumulative effect up to the beginning of the cumulative third quarter of the current consolidated fiscal year by applying retroactively those new accounting standards to all the past years was added, or subtracted from, capital surplus and retained earnings.

The effects of those accounting standards on the beginning balance of the cumulative third quarter of the current consolidated fiscal year were a decrease in goodwill of ¥3,396 million and capital surplus of ¥7,403 million and an increase in retained earnings of ¥4,006 million. As a result, ordinary profit and income before income taxes and minority interests for the nine months ended December 31, 2014 increased by ¥181 million each.

3. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Yen in millions)

	March 31, 2014	December 31, 2014
Assets		
Cash, deposits and savings	563,370	620,515
Call loans	78,649	215,642
Receivables under resale agreements	23,997	58,539
Receivables under securities borrowing transactions	228,706	297,040
Monetary claims bought	73,337	123,518
Money trusts	693,628	624,372
Investments in securities	12,710,203	14,020,851
Loans	807,300	777,234
Tangible fixed assets	484,272	473,847
Intangible fixed assets	179,609	164,466
Other assets	844,543	861,647
Assets for retirement benefits	49,123	47,621
Deferred tax assets	108,550	56,494
Customers' liabilities under acceptances and guarantees	53,500	58,500
Bad debt reserve	(20,643)	(12,412)
Total assets	16,878,148	18,387,878
Liabilities		
Policy liabilities:	13,111,219	13,710,685
Outstanding claims	1,467,103	1,463,315
Underwriting reserves	11,644,116	12,247,370
Bonds issued	226,185	226,187
Other liabilities	837,238	1,035,256
Liabilities for pension and retirement benefits	157,277	160,073
Reserve for retirement benefits for officers	1,121	974
Accrued bonuses for employees	21,313	3,610
Reserves under the special laws:	67,054	71,998
Reserve for price fluctuation	67,054	71,998
Deferred tax liabilities	117,404	242,643
Acceptances and guarantees	53,500	58,500
Total liabilities	14,592,316	15,509,929
Net assets		
Shareholders' equity:		
Common stock	100,000	100,000
Capital surplus	682,752	675,349
Retained earnings	385,295	560,751
Treasury stock	(29,903)	(49,946)
Total shareholders' equity	1,138,144	1,286,154
Accumulated other comprehensive income/(loss):		
Net unrealized gains/(losses) on investments in securities	1,053,222	1,466,831
Net deferred gains/(losses) on hedges	23,430	32,612
Foreign currency translation adjustments	35,261	55,712
Accumulated actuarial gains/(losses) on retirement benefits	10,266	10,279
Total accumulated other comprehensive income/(loss)	1,122,180	1,565,436
Minority interests	25,507	26,358
Total net assets	2,285,832	2,877,948
Total liabilities and net assets	16,878,148	18,387,878

(2) Consolidated Statements of Income and Comprehensive Income
(Consolidated Statements of Income)

(Yen in millions)

	Nine months ended December 31, 2013	Nine months ended December 31, 2014
Ordinary income:	3,292,620	3,626,301
Underwriting income:	2,694,391	2,921,853
Net premiums written	2,105,487	2,197,033
Deposit premiums from policyholders	117,982	111,517
Investment income on deposit premiums from policyholders	39,539	37,424
Life insurance premiums	408,070	547,871
Reversal of outstanding claims	15,308	9,817
Investment income:	591,412	695,097
Interest and dividends income	167,293	193,534
Investment gains on money trusts	20,917	98,546
Gains on sales of securities	55,505	100,979
Investment gains on separate accounts	373,183	303,102
Transfer of investment income on deposit premiums from policyholders	(39,539)	(37,424)
Other ordinary income	6,815	9,350
Ordinary expenses:	3,055,519	3,332,222
Underwriting expenses:	2,611,764	2,890,695
Net claims paid	1,245,984	1,239,188
Loss adjustment expenses	106,352	112,647
Commissions and collection expenses	413,616	447,450
Maturity refunds to policyholders	252,466	232,410
Life insurance claims	259,737	251,542
Provision for underwriting reserves	329,489	602,861
Investment expenses:	27,649	15,060
Investment losses on money trusts	15,163	91
Losses on sales of securities	3,593	5,042
Impairment losses on securities	3,907	4,035
Operating expenses and general and administrative expenses	397,594	418,565
Other ordinary expenses:	18,510	7,900
Interest expense	6,186	5,299
Ordinary profit/(loss)	237,100	294,078
Extraordinary income:	2,053	3,768
Gains on sales of fixed assets	2,053	3,768
Extraordinary losses:	7,676	8,327
Losses on sales of fixed assets	2,766	1,735
Impairment losses on fixed assets	471	1,649
Provision for reserves under the special law:	4,437	4,943
Provision for reserve for price fluctuation	4,437	4,943
Income/(loss) before income taxes and minority interests	231,477	289,519
Income taxes	70,286	81,489
Income/(loss) before minority interests	161,191	208,030
Minority interests	1,604	1,361
Net income/(loss)	159,587	206,669

(Consolidated Statements of Comprehensive Income)

(Yen in millions)

	Nine months ended December 31, 2013	Nine months ended December 31, 2014
Income/(loss) before minority interests	161,191	208,030
Other comprehensive income/(loss):		
Net unrealized gains/(losses) on investments in securities	304,219	412,355
Net deferred gains/(losses) on hedges	(5,848)	9,181
Foreign currency translation adjustments	37,079	17,786
Accumulated actuarial gains/(losses) on retirement benefits	-	11
Share of other comprehensive income/(loss) of equity method investments	(988)	4,447
Total other comprehensive income/(loss)	334,462	443,783
Total comprehensive income/(loss)	495,654	651,814
Allocation:		
Comprehensive income/(loss) attributable to shareholders of the parent	493,021	649,925
Comprehensive income/(loss) attributable to minority interests	2,632	1,889

(3) Notes to Consolidated Financial Statements

(Notes to Going Concern Assumptions)

Not applicable.

(Notes to Significant Changes in Shareholders' Equity)

Repurchase of treasury stock

The Company repurchased its treasury stock in accordance with resolutions approved at the Board Meetings on 20 May, 2014 and 19 November, 2014. As a result, the balance of the treasury stock as of 31 December, 2014 was ¥49,946 million with an increase of ¥20,045 million for the cumulative third quarter of the current consolidated fiscal year.

Explanatory Material for Business Results

1. Summary of Consolidated Business Results

(1) Consolidated Business Performance

(Yen in 100 millions)

	Items	Nine months ended December 31, 2013	Nine months ended December 31, 2014	Change	Change ratio
Ordinary income and expenses:					
Underwriting income:	1	26,929	29,230	2,301	8.5 %
Net premiums written	2	21,040	21,982	942	4.5
Deposit premiums from policyholders	3	1,179	1,115	(64)	(5.5)
Life insurance premiums	4	4,080	5,478	1,398	34.3
Reversal of outstanding claims	5	153	98	(54)	(35.9)
Underwriting expenses:	6	26,103	28,919	2,816	10.8
Net claims paid	7	12,459	12,391	(67)	(0.5)
Loss adjustment expenses	8	1,063	1,126	62	5.9
Commissions and collection expenses	9	4,136	4,474	338	8.2
Maturity refunds to policyholders	10	2,524	2,324	(200)	(7.9)
Life insurance claims	11	2,597	2,515	(81)	(3.2)
Provision for underwriting reserves	12	3,280	6,041	2,760	84.2
Investment income:	13	5,914	6,950	1,036	17.5
Interest and dividends income	14	1,672	1,935	262	15.7
Investment gains on money trusts	15	209	985	776	371.1
Gains on sales of securities	16	555	1,009	454	81.9
Investment gains on separate accounts	17	3,731	3,031	(700)	(18.8)
Investment expenses:	18	276	150	(125)	(45.5)
Investment losses on money trusts	19	151	0	(150)	(99.4)
Losses on sales of securities	20	35	50	14	40.3
Impairment losses on securities	21	39	40	1	3.3
Operating expenses and general and administrative expenses	22	3,975	4,185	209	5.3
Other ordinary income and expenses:	23	(116)	14	131	-
Gains/(losses) on equity method investments	24	(37)	7	44	-
Ordinary profit/(loss)	25	2,371	2,940	569	24.0
Extraordinary income and losses:					
Extraordinary income	26	20	37	17	83.5
Extraordinary losses	27	76	83	6	8.5
Extraordinary income/(losses)	28	(56)	(45)	10	-
Income/(loss) before income taxes and minority interests	29	2,314	2,895	580	25.1
Income taxes	30	702	814	112	15.9
Income/(loss) before minority interests	31	1,611	2,080	468	29.1
Minority interests	32	16	13	(2)	(15.2)
Net income/(loss)	33	1,595	2,066	470	29.5

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

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

(Yen in 100 millions)

	Items	Nine months ended December 31, 2013	Nine months ended December 31, 2014	Change	Change ratio
Net premiums written ^{Note 1}	1	21,040	21,982	942	4.5%
Mitsui Sumitomo Insurance ^{Note 1}	2	10,309	10,788	478	4.6
Aioi Nissay Dowa Insurance	3	8,619	8,702	82	1.0
Mitsui Direct General Insurance	4	259	254	(5)	(2.0)
Overseas insurance subsidiaries	5	1,825	2,195	370	20.3
Ordinary profit/(loss)	6	2,371	2,940	569	24.0
Mitsui Sumitomo Insurance	7	1,242	1,536	294	23.7
Aioi Nissay Dowa Insurance	8	598	922	323	54.0
Net income/(loss)	9	1,595	2,066	470	29.5
Mitsui Sumitomo Insurance	10	878	1,112	233	26.6
Aioi Nissay Dowa Insurance	11	413	821	407	98.6
Mitsui Direct General Insurance	12	1	(10)	(11)	(1,007.3)
Mitsui Sumitomo Aioi Life Insurance	13	54	52	(1)	(3.0)
Mitsui Sumitomo Primary Life Insurance	14	228	156	(71)	(31.5)
Overseas insurance subsidiaries	15	193	249	56	29.4
Others	16	19	12	(7)	(38.3)
Consolidation adjustments and holding company	17	(192)	(327)	(135)	-

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

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

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

(Yen in 100 millions)

	Items	Nine months ended December 31, 2013	Nine months ended December 31, 2014	Change	Change ratio
Net premiums written	1	1,825	2,195	370	20.3%
Asia	2	892	1,105	213	23.9
Europe	3	508	606	97	19.2
Americas	4	270	310	39	14.8
Reinsurance	5	153	173	19	12.6
Net income/(loss)	6	193	249	56	29.4
Asia	7	76	135	58	75.8
Europe	8	40	37	(2)	(6.9)
Americas	9	12	8	(4)	(34.8)
Reinsurance	10	63	69	5	8.5

(4) Summary of Results of Domestic Life Insurance Business

(Yen in 100 millions)

(Per 100 million)

	Items	Nine months ended December 31, 2013	Nine months ended December 31, 2014	Change	Change ratio	Year ended March 31, 2014
Amount of new policies						
Mitsui Sumitomo Aioi Life Insurance	1	20,120	18,293	(1,827)	(9.1) %	26,722
Mitsui Sumitomo Primary Life Insurance	2	5,485	7,446	1,961	35.8 %	8,005
Amount of policies in force						
Mitsui Sumitomo Aioi Life Insurance	3	208,455	216,716	5,666	2.7 %	211,050
Mitsui Sumitomo Primary Life Insurance	4	39,367	44,578	4,334	10.8 %	40,243
Annualized premiums for policies in force						
Mitsui Sumitomo Aioi Life Insurance	5	3,286	3,473	138	4.2 %	3,335
Mitsui Sumitomo Primary Life Insurance	6	4,364	4,599	56	1.2 %	4,543

(Notes) 1. The figures in the above table represent the total sum of individual insurance and individual annuities.

2. “Change” and “Change ratio” make comparisons with the nine months ended December 31, 2013 for items 1 and 2 and the year ended March 31, 2014 for items 3 to 6.

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

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

(1) Business Performance

(Yen in 100 millions)

	Items	Nine months ended December 31, 2013	Nine months ended December 31, 2014	Change	Change ratio
					%
(+)	Net premiums written	10,309	10,788	478	4.6
(-)	Net claims paid	6,181	6,083	(97)	(1.6)
(-)	Loss adjustment expenses	594	620	26	4.4
(-)	Commissions and collection expenses	1,785	1,896	111	6.2
(-)	Operating expenses and general and administrative expenses for underwriting	1,487	1,529	41	2.8
	Underwriting profit/(loss) before movements in reserves	260	658	398	153.0
(-)	Movement in outstanding claims	(143)	(22)	120	-
(-)	Movement in ordinary underwriting reserves	149	314	165	111.1
(-)	Movement in catastrophe reserve	(78)	90	168	-
(+)	Other	38	110	72	185.3
	Underwriting profit/(loss)	371	386	15	4.1
(+)	Interest and dividends income	902	890	(12)	(1.4)
(-)	Transfer of investment income on deposit premiums from policyholders	310	294	(15)	(5.0)
	Net interest and dividends income (item 12 - item 13)	592	595	3	0.5
(+)	Gains/(losses) on sales of securities	335	543	207	62.0
(-)	Impairment losses on securities	15	36	21	144.1
(+)	Other	73	73	(0)	(0.4)
	Investment profit/(loss)	986	1,175	188	19.1
(+)	Other ordinary profit/(loss)	(115)	(25)	90	-
	Ordinary profit/(loss)	1,242	1,536	294	23.7
(+)	Extraordinary income/(losses):	(25)	2	28	-
	Gains/(losses) on reserve for price fluctuation	(19)	(20)	(1)	-
	Income/(loss) before income taxes	1,216	1,539	322	26.5
(-)	Income taxes	338	427	89	26.3
	Net income/(loss)	878	1,112	233	26.6

Ratios	Net loss ratio	26	65.7 %	62.1 %	(3.6) %	
	Net expense ratio	27	31.8 %	31.8 %	0.0 %	
	Combined ratio	28	97.5 %	93.9 %	(3.6) %	

- (Notes) 1. Net loss ratio = (net claims paid + loss adjustment expenses) / net premiums written x 100
2. Net expense ratio = (commissions and collection expenses + operating expenses and general and administrative expenses for underwriting) / net premiums written x 100
3. Combined ratio = net loss ratio + net expense ratio

(Reference) Business performance excluding residential earthquake insurance and CALI*

	Net premiums written	29	9,014	9,439	425	4.7
Ratios	Net loss ratio	30	62.7 %	59.1 %	(3.6) %	
	Net expense ratio	31	33.7 %	33.8 %	0.1 %	
	Combined ratio	32	96.4 %	92.9 %	(3.5) %	

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

(2) Premiums written

(Yen in 100 millions)

	Net premiums written				Direct premiums written (excluding deposit premiums from policyholders)			
	Nine months ended December 31, 2013		Nine months ended December 31, 2014		Nine months ended December 31, 2013		Nine months ended December 31, 2014	
	Amount	Change ratio %	Amount	Change ratio %	Amount	Change ratio %	Amount	Change ratio %
Fire and allied	1,518	13.7	1,620	6.7	2,038	8.5	2,162	6.1
Marine	431	7.8	486	12.6	583	11.7	656	12.5
Personal accident	1,068	0.9	1,102	3.2	1,123	1.4	1,157	3.0
Voluntary automobile	4,561	2.9	4,698	3.0	4,581	2.9	4,714	2.9
CALI	1,289	9.2	1,343	4.2	1,274	12.3	1,264	(0.8)
Other	1,439	3.3	1,537	6.8	1,594	5.7	1,731	8.6
Total	10,309	5.2	10,788	4.6	11,196	5.6	11,687	4.4

(3) Net claims paid

(Yen in 100 millions)

	Nine months ended December 31, 2013			Nine months ended December 31, 2014			
	Amount	Change ratio %	Net loss ratio %	Amount	Change ratio %	Net loss ratio %	Change %
Fire and allied	1,077	(25.7)	73.2	1,163	8.0	73.9	0.7
Marine	239	18.8	58.8	214	(10.5)	46.9	(11.9)
Personal accident	596	4.1	62.7	591	(0.7)	59.7	(3.0)
Voluntary automobile	2,590	(4.3)	64.0	2,434	(6.0)	59.6	(4.4)
CALI	1,022	(0.8)	87.0	1,023	0.1	83.6	(3.4)
Other	654	(0.7)	48.4	654	(0.0)	45.3	(3.1)
Total	6,181	(6.6)	65.7	6,083	(1.6)	62.1	(3.6)

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

(Reference) Incurred losses caused by natural disasters in Japan

(Yen in 100 millions)

	Nine months ended December 31, 2013			Nine months ended December 31, 2014		
	Incurred losses	Net claims paid	Movement in outstanding claims	Incurred losses	Net claims paid	Movement in outstanding claims
Fire and allied	169	109	59	131	100	31
Voluntary automobile	27	26	0	18	17	0
Other	22	9	13	22	6	15
Total	219	145	74	172	124	47

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

Net claims paid caused by the heavy snowfall disaster in February, 2014 is ¥37.1 billion (¥34.2 billion in Fire and allied, ¥1.8 billion in Voluntary automobile and ¥1.1 billion in Other) for the nine months ended December 31, 2014.

(Reference) Incurred losses caused by flooding in Thailand

(Yen in 100 millions)

	Nine months ended December 31, 2013			Nine months ended December 31, 2014		
	Incurred losses	Net claims paid	Movement in outstanding claims	Incurred losses	Net claims paid	Movement in outstanding claims
Incurred losses	(148)	271	(420)	(24)	60	(85)

(Note) Incurred losses include influence of exchange rate fluctuations.

(4) Expenses

<Company expenses>

(Yen in 100 millions)

	Items	Nine months ended December 31, 2013			Nine months ended December 31, 2014		
		Amount	Change	Change ratio %	Amount	Change	Change ratio %
Personnel expenses	1	1,170	(6)	(0.5)	1,245	75	6.5
Non-personnel expenses	2	887	74	9.2	883	(4)	(0.5)
Taxes and contributions	3	97	3	3.8	91	(5)	(5.8)
Total	4	2,155	72	3.5	2,221	65	3.0

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

<Expenses for underwriting>

(Yen in 100 millions)

	Items	Nine months ended December 31, 2013			Nine months ended December 31, 2014		
		Amount	Change	Change ratio %	Amount	Change	Change ratio %
Operating expenses and general and administrative expenses	5	1,487	35	2.4	1,529	41	2.8
Commissions and collection expenses	6	1,785	73	4.3	1,896	111	6.2
Total	7	3,273	108	3.4	3,425	152	4.7
Net expense ratio	8	31.8 %	(0.5) %		31.8 %	0.0 %	

(5) Catastrophe reserve

(Yen in 100 millions)

	March 31, 2014		December 31, 2014			
	Balance	Reserve ratio	Reversal	Provision	Balance	Reserve ratio
		%				%
Fire and allied	1,005	47.5	208	147	943	43.8
Marine	693	122.3	-	21	715	110.4
Personal accident	621	43.0	43	34	612	41.7
Voluntary automobile	194	3.2	93	150	251	4.0
Other	1,470	77.8	2	84	1,551	75.7
Total	3,985	32.9	348	438	4,075	32.4

(Note) Reserve ratio = catastrophe reserve / net premiums written (excluding premiums of residential earthquake insurance and CALI and Good Result Return premiums of the automobile insurance product "ModoRich") x 100
The calculation for the reserve ratio as of December 31, 2014 has been made using four thirds of the net premiums written for the nine months ended December 31, 2014 as a denominator.

(6) Investment assets

(Yen in 100 millions)

	March 31, 2014	December 31, 2014	
			Change
Cash, deposits and savings	3,387	3,764	377
Investments in securities:	45,026	50,220	5,194
Domestic bonds	18,734	20,057	1,322
Stock	18,097	20,966	2,869
Foreign securities	8,033	8,984	950
Other securities	160	212	52
Loans	5,382	5,068	(313)
Land and buildings	2,239	2,181	(58)
Total	56,035	61,235	5,200

(Reference)

Long-term investment assets	15,356	14,834	(521)
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(7) Breakdown of interest and dividends income

(Yen in 100 millions)

	Nine months ended December 31, 2013	Nine months ended December 31, 2014	
			Change
Investments in securities:	768	776	7
Domestic bonds	185	169	(16)
Stock	337	401	64
Foreign securities	212	193	(18)
Other securities	33	11	(21)
Loans	65	57	(7)
Land and buildings	47	39	(7)
Other	21	17	(4)
Total	902	890	(12)

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

(Yen in 100 millions)

December 31, 2014	Cost	Fair value	Difference	Change from March 31, 2014
Domestic bonds	18,701	20,057	1,355	500
Stock	7,115	20,396	13,281	2,699
Foreign securities	3,589	4,014	425	245
Other securities	1,194	1,240	46	3
Total	30,600	45,708	15,108	3,448

(Yen in 100 millions)

March 31, 2014	Cost	Fair value	Difference
Domestic bonds	17,879	18,734	855
Stock	6,894	17,475	10,581
Foreign securities	3,043	3,222	179
Other securities	767	810	43
Total	28,584	40,244	11,659

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

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

Gains and losses on sales of securities

(Yen in 100 millions)

	Nine months ended December 31, 2013 Gains/(losses)	Nine months ended December 31, 2014 Gains/(losses)	Gains	Losses
Domestic bonds	28	5	5	0
Stock	301	516	517	0
Foreign securities	5	20	21	0
Other securities	(0)	-	-	-
Total	335	543	543	0

Impairment losses on securities

(Yen in 100 millions)

	Nine months ended December 31, 2013	Nine months ended December 31, 2014	Change
Domestic bonds	-	-	-
Stock	6	0	(5)
Foreign securities	4	36	32
Other securities	4	0	(4)
Total	15	36	21

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

(1) Business Performance

(Yen in 100 millions)

	Items	Nine months ended December 31, 2013	Nine months ended December 31, 2014	Change	Change ratio	
(+)	Net premiums written	1	8,619	8,702	82	1.0
(-)	Net claims paid	2	5,165	5,135	(29)	(0.6)
(-)	Loss adjustment expenses	3	394	418	23	6.1
(-)	Commissions and collection expenses	4	1,552	1,626	73	4.8
(-)	Operating expenses and general and administrative expenses for underwriting	5	1,395	1,420	24	1.8
	Underwriting profit/(loss) before movements in reserves	6	111	101	(9)	(8.9)
(-)	Movement in outstanding claims	7	40	(170)	(211)	(527.1)
(-)	Movement in ordinary underwriting reserves	8	5	25	19	332.7
(-)	Movement in catastrophe reserve	9	(20)	(142)	(121)	-
(+)	Other	10	56	92	36	64.1
	Underwriting profit/(loss)	11	142	482	339	238.2
(+)	Interest and dividends income	12	505	449	(56)	(11.2)
(-)	Transfer of investment income on deposit premiums from policyholders	13	145	139	(6)	(4.2)
	Net interest and dividends income (item 12 - item 13)	14	360	310	(50)	(14.0)
(+)	Gains/(losses) on sales of securities	15	159	180	21	13.5
(-)	Impairment losses on securities	16	22	1	(20)	(91.7)
(+)	Other	17	(60)	(57)	3	-
	Investment profit/(loss)	18	436	431	(4)	(1.1)
(+)	Other ordinary profit/(loss)	19	19	7	(11)	(59.8)
	Ordinary profit/(loss)	20	598	922	323	54.0
(+)	Extraordinary income/(losses):	21	(10)	227	238	-
	Gains/(losses) on reserve for price fluctuation	22	(12)	(12)	0	-
	Income/(loss) before income taxes	23	588	1,149	561	95.4
(-)	Income taxes	24	174	328	153	87.9
	Net income/(loss)	25	413	821	407	98.6

Ratios	Net loss ratio	26	64.5 %	63.8 %	(0.7) %	
	Net expense ratio	27	34.2 %	35.0 %	0.8 %	
	Combined ratio	28	98.7 %	98.8 %	0.1 %	

- (Notes) 1. Net loss ratio = (net claims paid + loss adjustment expenses) / net premiums written x 100
2. Net expense ratio = (commissions and collection expenses + operating expenses and general and administrative expenses for underwriting) / net premiums written x 100
3. Combined ratio = net loss ratio + net expense ratio
4. Extraordinary income/(loss) for the nine months ended December 31, 2014 includes an income of ¥10.0 billion received in return for transfer of new policies of the third sector long term contracts to Mitsui Sumitomo Aioi Life Insurance Co., Ltd. and ¥15.6 billion received in return for transfer of policies of cargo and transportation insurance contracts to Mitsui Sumitomo Insurance Co., Ltd.

(Reference) Business performance excluding residential earthquake insurance and CALI

	Net premiums written	29	7,392	7,445	52	0.7
Ratios	Net loss ratio	30	61.1 %	60.8 %	(0.3) %	
	Net expense ratio	31	36.1 %	37.0 %	0.9 %	
	Combined ratio	32	97.2 %	97.8 %	0.6 %	

(2) Premiums written

(Yen in 100 millions)

	Net premiums written				Direct premiums written (excluding deposit premiums from policyholders)			
	Nine months ended December 31, 2013		Nine months ended December 31, 2014		Nine months ended December 31, 2013		Nine months ended December 31, 2014	
	Amount	Change ratio %	Amount	Change ratio %	Amount	Change ratio %	Amount	Change ratio %
Fire and allied	997	6.7	1,030	3.3	1,504	5.5	1,584	5.3
Marine	83	17.6	63	(23.4)	75	5.3	43	(42.3)
Personal accident	561	1.4	533	(5.0)	585	0.6	556	(5.0)
Voluntary automobile	4,968	2.7	5,008	0.8	4,842	1.9	4,860	0.4
CALI	1,222	6.6	1,253	2.5	1,359	10.6	1,359	(0.1)
Other	786	5.0	813	3.4	949	(1.9)	938	(1.2)
Total	8,619	3.9	8,702	1.0	9,317	3.2	9,343	0.3

(3) Net claims paid

(Yen in 100 millions)

	Nine months ended December 31, 2013			Nine months ended December 31, 2014			
	Amount	Change ratio %	Net loss ratio %	Amount	Change ratio %	Net loss ratio %	Change %
Fire and allied	606	(21.5)	63.1	750	23.7	75.7	12.6
Marine	42	15.3	53.6	36	(15.9)	59.8	6.2
Personal accident	257	(2.5)	48.9	243	(5.5)	49.6	0.7
Voluntary automobile	2,888	(3.3)	63.0	2,756	(4.6)	60.0	(3.0)
CALI	956	(1.7)	85.3	942	(1.4)	82.1	(3.2)
Other	414	(6.9)	55.7	407	(1.7)	53.8	(1.9)
Total	5,165	(5.7)	64.5	5,135	(0.6)	63.8	(0.7)

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

(Reference) Incurred losses caused by natural disasters in Japan

(Yen in 100 millions)

	Nine months ended December 31, 2013			Nine months ended December 31, 2014		
	Incurred losses	Net claims paid	Movement in outstanding claims	Incurred losses	Net claims paid	Movement in outstanding claims
Fire and allied	103	82	21	86	66	19
Voluntary automobile	27	26	0	17	15	2
Other	7	3	4	5	2	2
Total	139	112	26	109	84	24

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

Net claims paid caused by the heavy snowfall disaster in February, 2014 is ¥25.0 billion (¥22.5 billion in Fire and allied, ¥1.9 billion in Voluntary automobile and ¥0.5 billion in Other) for the nine months ended December 31, 2014.

(Reference) Incurred losses caused by flooding in Thailand

(Yen in 100 millions)

	Nine months ended December 31, 2013			Nine months ended December 31, 2014		
	Incurred losses	Net claims paid	Movement in outstanding claims	Incurred losses	Net claims paid	Movement in outstanding claims
Incurred losses	(18)	31	(49)	(1)	1	(2)

(Note) Incurred losses include influence of exchange rate fluctuations.

(4) Expenses

<Company expenses>

(Yen in 100 millions)

	Items	Nine months ended December 31, 2013			Nine months ended December 31, 2014		
		Amount	Change	Change ratio %	Amount	Change	Change ratio %
Personnel expenses	1	913	4	0.5	884	(28)	(3.2)
Non-personnel expenses	2	843	64	8.3	927	83	9.9
Taxes and contributions	3	86	3	4.4	82	(4)	(4.9)
Total	4	1,843	72	4.1	1,894	50	2.7

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

<Expenses for underwriting>

(Yen in 100 millions)

	Items	Nine months ended December 31, 2013			Nine months ended December 31, 2014		
		Amount	Change	Change ratio %	Amount	Change	Change ratio %
Operating expenses and general and administrative expenses	5	1,395	67	5.1	1,420	24	1.8
Commissions and collection expenses	6	1,552	71	4.9	1,626	73	4.8
Total	7	2,948	139	5.0	3,047	98	3.3
Net expense ratio	8	34.2 %	0.3 %		35.0 %	0.8 %	

(5) Catastrophe reserve

(Yen in 100 millions)

	March 31, 2014		December 31, 2014			
	Balance	Reserve ratio	Reversal	Provision	Balance	Reserve ratio
		%				%
Fire and allied	1,045	77.3	221	83	906	66.2
Marine	138	123.3	1	0	137	162.4
Personal accident	589	81.1	-	16	606	85.3
Voluntary automobile	212	3.2	212	161	161	2.4
Other	505	49.7	10	41	536	49.5
Total	2,491	25.4	445	303	2,348	23.7

(Note) Reserve ratio = catastrophe reserve / net premiums written (excluding premiums of residential earthquake insurance and CALI) x 100
The calculation for the reserve ratio as of December 31, 2014 has been made using four thirds of the net premiums written for the nine months ended December 31, 2014 as a denominator.

(6) Investment assets

(Yen in 100 millions)

	March 31, 2014	December 31, 2014	
			Change
Cash, deposits and savings	1,057	1,616	559
Investments in securities:	23,654	24,939	1,285
Domestic bonds	9,696	9,507	(188)
Stock	7,122	8,227	1,105
Foreign securities	6,441	6,788	347
Other securities	394	416	21
Loans	2,200	2,203	3
Land and buildings	1,721	1,674	(46)
Total	28,632	30,434	1,801

(Reference)

Long-term investment assets	5,692	5,339	(353)
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(7) Breakdown of interest and dividends income

(Yen in 100 millions)

	Nine months ended December 31, 2013	Nine months ended December 31, 2014	
			Change
Investments in securities:	439	387	(52)
Domestic bonds	78	78	(0)
Stock	160	150	(9)
Foreign securities	188	139	(49)
Other securities	11	18	7
Loans	27	24	(2)
Land and buildings	34	32	(1)
Other	4	4	(0)
Total	505	449	(56)

(8) Investments in securities

Unrealized gains and losses on investments in securities

(Yen in 100 millions)

December 31, 2014	Cost	Fair value	Difference	Change from March 31, 2014
Domestic bonds	8,923	9,507	584	235
Stock	4,430	7,954	3,523	1,044
Foreign securities	5,506	6,277	771	461
Other securities	275	351	75	34
Total	19,136	24,090	4,954	1,777

(Yen in 100 millions)

March 31, 2014	Cost	Fair value	Difference
Domestic bonds	9,347	9,696	348
Stock	4,369	6,847	2,478
Foreign securities	5,662	5,972	309
Other securities	248	289	41
Total	19,628	22,805	3,177

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

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

Gains and losses on sales of securities

(Yen in 100 millions)

	Nine months ended December 31, 2013 Gains/(losses)	Nine months ended December 31, 2014 Gains/(losses)	Gains	Losses
Domestic bonds	12	10	10	0
Stock	118	147	148	1
Foreign securities	28	22	69	46
Other securities	-	(0)	-	0
Total	159	180	228	48

Impairment losses on securities

(Yen in 100 millions)

	Nine months ended December 31, 2013	Nine months ended December 31, 2014	Change
Domestic bonds	-	-	-
Stock	16	0	(15)
Foreign securities	5	1	(4)
Other securities	-	-	-
Total	22	1	(20)

4. Supplementary Information

(1) Supplementary Information on Consolidated Business Results

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

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

(Yen in millions)

Lines of Insurance	Nine months ended December 31, 2013			Nine months ended December 31, 2014		
	Amount	Share (%)	Change ratio (%)	Amount	Share (%)	Change ratio (%)
Fire and allied	441,756	18.2	8.0	467,155	18.6	5.7
Marine	92,677	3.8	13.8	99,792	4.0	7.7
Personal accident	266,610	11.0	(1.8)	263,078	10.4	(1.3)
Voluntary automobile	1,036,324	42.7	4.0	1,064,867	42.3	2.8
CALI	263,460	10.8	11.5	262,384	10.4	(0.4)
Other	327,975	13.5	9.9	359,720	14.3	9.7
Total:	2,428,804	100.0	5.9	2,516,999	100.0	3.6
Deposit premiums from policyholders	117,982	4.9	(8.9)	111,517	4.4	(5.5)

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

Voluntary Automobile	1,034,877		3.8	1,066,110		3.0
Total	2,427,358		5.8	2,518,242		3.7

Net Premiums Written by Line of Insurance

(Yen in millions)

Lines of Insurance	Nine months ended December 31, 2013			Nine months ended December 31, 2014		
	Amount	Share (%)	Change ratio (%)	Amount	Share (%)	Change ratio (%)
Fire and allied	291,508	13.8	12.7	311,978	14.2	7.0
Marine	74,009	3.5	13.0	78,547	3.6	6.1
Personal accident	170,672	8.1	2.0	172,403	7.8	1.0
Voluntary automobile	1,046,483	49.7	4.4	1,077,871	49.1	3.0
CALI	251,596	12.0	7.9	260,041	11.8	3.4
Other	271,217	12.9	8.9	296,190	13.5	9.2
Total	2,105,487	100.0	6.5	2,197,033	100.0	4.3

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

Voluntary automobile	1,045,036		4.2	1,079,114		3.3
Total	2,104,040		6.4	2,198,276		4.5

Net Claims Paid by Line of Insurance

(Yen in millions)

Lines of Insurance	Nine months ended December 31, 2013			Nine months ended December 31, 2014		
	Amount	Share (%)	Change ratio (%)	Amount	Share (%)	Change ratio (%)
Fire and allied	183,156	14.7	(23.0)	207,312	16.7	13.2
Marine	37,740	3.0	20.3	33,412	2.7	(11.5)
Personal accident	87,688	7.0	2.5	86,090	7.0	(1.8)
Voluntary automobile	604,995	48.6	(2.3)	581,543	46.9	(3.9)
CALI	198,229	15.9	(1.2)	196,977	15.9	(0.6)
Other	134,173	10.8	4.0	133,852	10.8	(0.2)
Total	1,245,984	100.0	(4.4)	1,239,188	100.0	(0.5)

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

(b) Available-for-Sale Securities

(Yen in millions)

Items	March 31, 2014			December 31, 2014		
	Cost	Carrying amount	Difference	Cost	Carrying amount	Difference
Domestic Bonds	4,234,605	4,428,972	194,367	4,270,731	4,577,913	307,182
Stock	1,209,856	2,433,341	1,223,484	1,235,260	2,836,205	1,600,945
Foreign Securities	1,393,036	1,478,165	85,129	1,673,255	1,851,022	177,767
Other Securities	107,663	114,957	7,293	153,722	165,318	11,595
Total	6,945,161	8,455,437	1,510,275	7,332,969	9,430,459	2,097,490

March 31, 2014	December 31, 2014
<p>1. Available-for-sale securities without practically determinable fair value are not included in the above table.</p> <p>2. “Other Securities” includes certificates of deposits included in Cash, deposits and savings, and commercial papers and loan receivable trust beneficiary certificates included in Monetary claims bought on the consolidated balance sheet.</p> <p>3. The Company and its consolidated subsidiaries recognized impairment losses of ¥1,094 million on Available-for-sale securities with practically determinable fair value (comprised of ¥918 million on Stock and ¥176 million on Foreign securities). In principle, the Company and its domestic consolidated subsidiaries recognize impairment losses on securities with practically determinable fair value if the fair value declines by 30% or more from the cost.</p>	<p>1. Available-for-sale securities without practically determinable fair value are not included in the above table.</p> <p>2. “Other Securities” includes certificates of deposits included in Cash, deposits and savings, and commercial papers and loan receivable trust beneficiary certificates included in Monetary claims bought on the consolidated balance sheet.</p> <p>3. The Company and its consolidated subsidiaries recognized impairment losses of ¥690 million on Available-for-sale securities with practically determinable fair value (comprised of ¥88 million on Stock, ¥601 million on Foreign securities and ¥0 million on Other securities). In principle, the Company and its domestic consolidated subsidiaries recognize impairment losses on securities with practically determinable fair value if the fair value declines by 30% or more from the cost.</p>

(2) Summary of Business Results of Main Consolidated Subsidiaries

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

Non-Consolidated Balance Sheets

(Yen in millions)

Items	March 31, 2014	December 31, 2014
(Assets)		
Cash, deposits and savings	188,728	157,273
Call loans	50,000	28,000
Receivables under resale agreements	23,997	58,539
Monetary claims bought	65,781	116,430
Money trusts	10,371	16,279
Investments in securities	4,502,619	5,022,063
Loans	538,224	506,837
Tangible fixed assets	238,938	229,923
Intangible fixed assets	40,101	48,888
Other assets	406,584	368,890
Customers' liabilities under acceptances and guarantees	49,094	52,273
Bad debt reserve	(16,423)	(8,728)
Total assets	6,098,017	6,596,671
(Liabilities)		
Policy liabilities:	3,945,530	3,930,387
Outstanding claims	652,310	650,040
Underwriting reserves	3,293,219	3,280,346
Bonds issued	176,185	176,187
Other liabilities:	344,318	422,674
Income taxes payable	4,890	38,628
Lease obligations	1,706	1,123
Asset retirement obligations	4,634	3,701
Other liabilities	333,087	379,222
Reserve for pension and retirement benefits	139,895	141,167
Reserve for retirement benefits for officers	1,070	930
Accrued bonuses for employees	11,249	339
Reserves under the special laws:	19,731	21,805
Reserve for price fluctuation	19,731	21,805
Deferred tax liabilities	101,331	211,296
Acceptances and guarantees	49,094	52,273
Total liabilities	4,788,409	4,957,062
(Net assets)		
Common stock	139,595	139,595
Capital surplus	93,107	93,107
Retained earnings	240,357	316,790
Total shareholders' equity	473,061	549,493
Net unrealized gains/(losses) on investments in securities	813,116	1,057,502
Net deferred gains/(losses) on hedges	23,430	32,612
Total valuation and translation adjustments	836,547	1,090,114
Total net assets	1,309,608	1,639,608
Total liabilities and net assets	6,098,017	6,596,671

Non-Consolidated Statements of Income

(Yen in millions)

Items	Nine months ended December 31, 2013	Nine months ended December 31, 2014
Ordinary income:	1,333,606	1,346,089
Underwriting income:	1,223,080	1,214,086
Net premiums written	1,032,383	1,077,589
Deposit premiums from policyholders	87,461	84,620
Investment income on deposit premiums from policyholders	31,017	29,477
Reversal of outstanding claims	14,323	2,270
Reversal of underwriting reserves	57,733	12,872
Investment income:	108,438	128,397
Interest and dividends income	90,294	89,055
Investment gains on money trusts	613	942
Gains on sales of securities	34,564	54,397
Gains on derivative transactions	9,321	796
Transfer of investment income on deposit premiums from policyholders	(31,017)	(29,477)
Other ordinary income	2,087	3,605
Ordinary expenses:	1,209,366	1,192,390
Underwriting expenses:	1,037,565	1,022,525
Net claims paid	618,127	608,331
Loss adjustment expenses	59,454	62,092
Commissions and collection expenses	178,562	189,683
Maturity refunds to policyholders	180,584	161,478
Investment expenses:	3,905	5,240
Investment losses on money trusts	-	91
Losses on sales of securities	1,009	47
Impairment losses on securities	1,511	3,688
Operating expenses and general and administrative expenses	156,077	160,013
Other ordinary expenses:	11,817	4,611
Interest expense	5,288	4,426
Ordinary profit	124,239	153,698
Extraordinary income	1,535	5,184
Extraordinary losses	4,094	4,904
Income before income taxes	121,680	153,978
Income taxes	33,847	42,747
Net income	87,833	111,231

Non-Consolidated Solvency Margin Ratio

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

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

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

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

(Yen in millions)

	March 31, 2014	December 31, 2014
(A) Total amount of solvency margin	2,120,694	2,584,906
Total net assets	456,862	549,493
Reserve for price fluctuation	19,731	21,805
Contingency reserve	175	355
Catastrophe reserve	410,755	420,188
General bad debt reserve	1,420	1,111
Net unrealized gains/(losses) on investments in securities (prior to tax effect deductions)	1,054,940	1,371,241
Net unrealized gains/(losses) on land	31,656	34,202
Excess of policyholders' contract deposits (a)	-	-
Subordinated debts, etc. (b)	106,191	106,191
Amount excluded from the margin, out of (a) and (b)	-	-
Deductions	43,155	43,142
Others	82,117	123,458
(B) Total amount of risks $\sqrt{(R_1 + R_2)^2 + (R_3 + R_4)^2} + R_5 + R_6$	706,497	791,790
General insurance risk (R_1)	113,474	115,041
Insurance risk of third sector insurance contracts (R_2)	-	-
Assumed interest rate risk (R_3)	19,248	18,981
Asset management risk (R_4)	527,293	595,018
Business administration risk (R_5)	15,849	17,571
Catastrophe risk (R_6)	132,450	149,534
(C) Solvency margin ratio [(A) / {(B) x 1/2}] x 100	600.3 %	652.9 %

(Note) The non-consolidated solvency margin ratio for December 31, 2014 is calculated by partially applying the simplified method where components such as the catastrophe risk (R_6) are calculated based on the data used for September 30, 2014.

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

Non-Consolidated Balance Sheets

(Yen in millions)

Items	March 31, 2014	December 31, 2014
(Assets)		
Cash, deposits and savings	81,958	129,761
Call loans	21,000	29,000
Monetary claims bought	477	252
Money trusts	2,310	2,672
Investments in securities	2,365,453	2,493,977
Loans	220,015	220,320
Tangible fixed assets	183,620	179,845
Intangible fixed assets	33,390	29,744
Other assets	222,050	260,550
Prepaid pension expenses	43,472	44,684
Deferred tax assets	78,076	23,563
Customers' liabilities under acceptances and guarantees	7,500	9,500
Bad debt reserve	(2,146)	(2,042)
Total assets	3,257,180	3,421,830
(Liabilities)		
Policy liabilities:	2,420,418	2,356,743
Outstanding claims	510,416	493,316
Underwriting reserves	1,910,002	1,863,426
Bonds issued	50,000	50,000
Other liabilities:	153,051	196,074
Income taxes payable	2,790	32,370
Lease obligations	328	248
Asset retirement obligations	558	566
Other liabilities	149,374	162,889
Reserve for pension and retirement benefits	13,775	16,454
Accrued bonuses for employees	5,962	181
Reserve for Reorganization by Function	3,040	1,183
Reserves under the special laws:	3,239	4,441
Reserve for price fluctuation	3,239	4,441
Acceptances and guarantees	7,500	9,500
Total liabilities	2,656,987	2,634,578
(Net assets)		
Common stock	100,005	100,005
Capital surplus	81,210	81,207
Retained earnings	197,397	261,127
Total shareholders' equity	378,612	442,339
Net unrealized gains/(losses) on investments in securities	221,580	344,912
Total valuation and translation adjustments	221,580	344,912
Total net assets	600,192	787,251
Total liabilities and net assets	3,257,180	3,421,830

Non-Consolidated Statements of Income

(Yen in millions)

Items	Nine months ended December 31, 2013	Nine months ended December 31, 2014
Ordinary income:	999,612	1,039,687
Underwriting income:	944,052	981,510
Net premiums written	861,987	870,246
Deposit premiums from policyholders	30,520	26,897
Investment income on deposit premiums from policyholders	14,531	13,913
Reversal of outstanding claims	-	17,099
Reversal of underwriting reserves	32,687	46,576
Investment income:	53,300	54,786
Interest and dividends income	50,587	44,933
Investment gains on money trusts	0	0
Gains on sales of securities	16,985	22,869
Transfer of investment income on deposit premiums from policyholders	(14,531)	(13,913)
Other ordinary income	2,258	3,390
Ordinary expenses:	939,719	947,471
Underwriting expenses:	788,820	790,522
Net claims paid	516,570	513,574
Loss adjustment expenses	39,419	41,813
Commissions and collection expenses	155,277	162,668
Maturity refunds to policyholders	71,882	70,931
Provision for outstanding claims	4,003	-
Investment expenses:	5,151	7,439
Losses on sales of securities	1,080	4,809
Impairment losses on securities	2,203	182
Losses on derivative transactions	868	2,075
Operating expenses and general and administrative expenses	144,968	147,608
Other ordinary expenses:	778	1,901
Interest expense	569	567
Ordinary profit	59,893	92,215
Extraordinary income	881	25,741
Extraordinary losses	1,936	2,985
Income before income taxes	58,838	114,971
Income taxes	17,481	32,842
Net income	41,356	82,129

Non-Consolidated Solvency Margin Ratio

(Yen in millions)

	March 31, 2014	December 31, 2014
(A) Total amount of solvency margin	1,027,044	1,282,524
Total net assets	369,512	442,339
Reserve for price fluctuation	3,239	4,441
Contingency reserve	747	813
Catastrophe reserve	257,490	243,619
General bad debt reserve	418	404
Net unrealized gains/(losses) on investments in securities (prior to tax effect deductions)	287,683	447,743
Net unrealized gains/(losses) on land	2,038	5,155
Excess of policyholders' contract deposits (a)	-	-
Subordinated debts, etc. (b)	50,000	50,000
Amount excluded from the margin, out of (a) and (b)	-	-
Deductions	9,952	9,950
Others	65,866	97,955
(B) Total amount of risks $\sqrt{(R_1 + R_2)^2 + (R_3 + R_4)^2} + R_5 + R_6$	272,396	301,875
General insurance risk (R_1)	101,281	101,644
Insurance risk of third sector insurance contracts (R_2)	-	-
Assumed interest rate risk (R_3)	9,911	9,557
Asset management risk (R_4)	179,721	203,848
Business administration risk (R_5)	6,829	7,461
Catastrophe risk (R_6)	50,581	58,037
(C) Solvency margin ratio $[(A) / \{(B) \times 1/2\}] \times 100$	754.0 %	849.7 %

(Note) The non-consolidated solvency margin ratio for December 31, 2014 is calculated by partially applying the simplified method where components such as the catastrophe risk (R_6) are calculated based on the data used for September 30, 2014.

(c) Mitsui Direct General Insurance Co., Ltd. (Non-consolidated)

Non-Consolidated Balance Sheets

(Yen in millions)

Items	March 31, 2014	December 31, 2014
(Assets)		
Cash, deposits and savings	3,319	3,441
Investments in securities	35,104	35,175
Tangible fixed assets	212	161
Intangible fixed assets	2,073	2,207
Other assets	5,878	5,230
Bad debt reserve	(3)	(0)
Total assets	46,584	46,215
(Liabilities)		
Policy liabilities:	34,079	35,162
Outstanding claims	14,582	16,995
Underwriting reserves	19,497	18,166
Other liabilities:	988	1,122
Income taxes payable	99	54
Asset retirement obligations	12	12
Other liabilities	876	1,055
Accrued bonuses for employees	214	-
Reserves under the special laws:	34	39
Reserve for price fluctuation	34	39
Deferred tax liabilities	44	72
Total liabilities	35,360	36,396
(Net assets)		
Common stock	32,600	32,600
Capital surplus	2,500	2,500
Retained earnings	(24,054)	(25,444)
Total shareholders' equity	11,045	9,655
Net unrealized gains/(losses) on investments in securities	178	163
Total valuation and translation adjustments	178	163
Total net assets	11,223	9,818
Total liabilities and net assets	46,584	46,215

Non-Consolidated Statements of Income

(Yen in millions)

Items	Nine months ended December 31, 2013	Nine months ended December 31, 2014
Ordinary income:	27,120	26,879
Underwriting income:	27,012	26,776
Net premiums written	25,947	25,433
Investment income on deposit premiums from policyholders	11	12
Reversal of underwriting reserves	1,053	1,330
Investment income:	102	92
Interest and dividends income	113	105
Transfer of investment income on deposit premiums from policyholders	(11)	(12)
Other ordinary income	6	10
Ordinary expenses:	26,933	28,213
Underwriting expenses:	21,580	22,798
Net claims paid	18,443	18,301
Loss adjustment expenses	1,804	1,951
Commissions and collection expenses	140	132
Provision for outstanding claims	1,191	2,412
Investment expenses:	-	3
Losses on sales of securities	-	3
Operating expenses and general and administrative expenses	5,351	5,410
Other ordinary expenses	1	1
Ordinary profit/(loss)	186	(1,334)
Extraordinary income	-	-
Extraordinary losses	13	6
Income/(loss) before income taxes	173	(1,341)
Income taxes	20	49
Net income/(loss)	153	(1,390)

Non-Consolidated Solvency Margin Ratio

(Yen in millions)

	March 31, 2014	December 31, 2014
(A) Total amount of solvency margin	12,460	10,740
Total net assets	11,045	9,655
Reserve for price fluctuation	34	39
Contingency reserve	0	0
Catastrophe reserve	1,147	831
General bad debt reserve	1	0
Net unrealized gains/(losses) on investments in securities (prior to tax effect deductions)	231	212
Net unrealized gains/(losses) on land	-	-
Excess of policyholders' contract deposits (a)	-	-
Subordinated debts, etc. (b)	-	-
Amount excluded from the margin, out of (a) and (b)	-	-
Deductions	-	-
Others	-	-
(B) Total amount of risks $\sqrt{(R_1 + R_2)^2 + (R_3 + R_4)^2} + R_5 + R_6$	5,921	5,921
General insurance risk (R_1)	5,378	5,378
Insurance risk of third sector insurance contracts (R_2)	-	-
Assumed interest rate risk (R_3)	0	0
Asset management risk (R_4)	735	738
Business administration risk (R_5)	192	192
Catastrophe risk (R_6)	300	300
(C) Solvency margin ratio $[(A) / \{(B) \times 1/2\}] \times 100$	420.8 %	362.7 %

(Note) The non-consolidated solvency margin ratio for December 31, 2014 is calculated by partially applying the simplified method to components such as the assumed interest rate risk (R_3).

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

Non-Consolidated Balance Sheets

(Yen in millions)

Items	March 31, 2014	December 31, 2014
(Assets)		
Cash, deposits and savings	30,830	22,075
Call loans	458	301
Receivables under securities borrowing transactions	228,706	297,040
Investments in securities	2,285,544	2,499,744
Loans	49,470	50,430
Tangible fixed assets	1,882	2,158
Intangible fixed assets	4,039	14,993
Due from agencies	225	238
Reinsurance accounts receivable	694	11
Other assets	34,279	37,251
Bad debt reserve	(78)	(58)
Total assets	2,636,052	2,924,187
(Liabilities)		
Policy liabilities:	2,242,550	2,403,711
Outstanding claims	21,204	24,058
Underwriting reserves	2,214,832	2,372,601
Reserve for dividends to policyholders	6,514	7,051
Due to agencies	5,281	4,310
Reinsurance accounts payable	282	220
Other liabilities:	238,290	305,698
Payables under securities lending transactions	229,164	297,330
Income taxes payable	2,120	1,563
Lease obligations	751	551
Asset retirement obligations	364	729
Other liabilities	5,889	5,522
Reserve for pension and retirement benefits	1,609	1,833
Reserve for retirement benefits for officers	50	43
Reserves under the special laws:	3,912	4,349
Reserve for price fluctuation	3,912	4,349
Deferred tax liabilities	12,075	28,878
Total liabilities	2,504,052	2,749,046
(Net assets)		
Common stock	35,500	35,500
Capital surplus	43,688	43,688
Retained earnings	(8,908)	(3,645)
Total shareholders' equity	70,279	75,543
Net unrealized gains/(losses) on investments in securities	61,719	99,598
Total valuation and translation adjustments	61,719	99,598
Total net assets	131,999	175,141
Total liabilities and net assets	2,636,052	2,924,187

Non-Consolidated Statements of Income

(Yen in millions)

Items	Nine months ended December 31, 2013	Nine months ended December 31, 2014
Ordinary income:	335,624	353,532
Insurance premiums and others:	304,105	321,683
Insurance premiums	303,887	321,585
Investment income:	30,720	30,926
Interest and dividends income	27,549	29,714
Gains on sales of securities	3,153	1,175
Other ordinary income	798	923
Ordinary expenses:	322,827	341,255
Insurance claims and others:	121,812	118,586
Insurance claims	31,675	25,846
Annuity payments	7,357	8,460
Benefits	8,766	9,240
Surrender benefits	71,342	71,809
Other refunds	1,695	2,197
Provision for underwriting reserves and others:	142,919	160,624
Provision for outstanding claims	588	2,854
Provision for underwriting reserves	142,330	157,769
Provision for interest portion of reserve for dividends to policyholders	0	0
Investment expenses:	951	340
Interest expense	211	205
Losses on sales of securities	713	22
Operating expenses	51,914	54,221
Other ordinary expenses	5,230	7,482
Ordinary profit	12,796	12,277
Extraordinary income	2	3
Extraordinary losses	401	494
Provision for reserve for dividends to policyholders	3,875	3,917
Income before income taxes	8,522	7,869
Income taxes	3,095	2,606
Net income	5,427	5,263

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

(1) Policies in force

(Yen in millions)

	March 31, 2014		December 31, 2014	
	Number of policies (in thousands)	Amount	Number of policies (in thousands)	Amount
Individual insurance	2,406	20,317,959	2,552	20,897,958
Individual annuities	187	787,086	187	773,723
Group insurance	-	5,124,978	-	5,319,590
Group annuities	-	399	-	382

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

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

(2) New policies

(Yen in millions)

	Nine months ended December 31, 2013				Nine months ended December 31, 2014			
	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	194	1,947,093	1,947,093	-	252	1,799,210	1,799,210	-
Individual annuities	8	64,995	64,995	-	5	30,171	30,171	-
Group insurance	-	54,513	54,513	-	-	82,492	82,492	-
Group annuities	-	-	-	-	-	-	-	-

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

Annualized Premiums

(1) Policies in force

(Yen in millions)

	March 31, 2014	December 31, 2014
Individual insurance	289,311	303,516
Individual annuities	44,191	43,835
Total:	333,502	347,351
Medical coverage, living benefits, etc.	61,171	68,107

(2) New policies

(Yen in millions)

	Nine months ended December 31, 2013	Nine months ended December 31, 2014
Individual insurance	27,077	31,768
Individual annuities	3,298	1,691
Total:	30,376	33,459
Medical coverage, living benefits, etc.	7,042	10,803

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

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

Non-Consolidated Business Performance

(Yen in millions)

	Nine months ended December 31, 2013	Nine months ended December 31, 2014	Change
Fundamental revenues:	332,477	352,327	19,849
Insurance premiums and others	304,105	321,683	17,578
Fundamental expenses	320,871	339,478	18,606
Fundamental profit	11,605	12,848	1,242
Capital gains/(losses)	2,434	1,082	(1,351)
Non-recurring gains/(losses)	(1,243)	(1,654)	(411)
Ordinary profit	12,796	12,277	(519)
Extraordinary income	2	3	0
Extraordinary losses	401	494	92
Provision for reserve for dividends to policyholders	3,875	3,917	41
Income taxes	3,095	2,606	(489)
Net income	5,427	5,263	(164)

Non-Consolidated Solvency Margin Ratio

(Yen in millions)

	March 31, 2014	December 31, 2014
(A) Total amount of solvency margin	276,449	340,442
Total capital	70,279	75,543
Reserve for price fluctuation	3,912	4,349
Contingency reserve	23,652	25,320
General bad debt reserve	12	6
Net unrealized gains/(losses) on investments in securities x 90%	80,190	129,404
Net unrealized gains/(losses) on land x 85%	-	-
Excess of continued Zillmerized reserve (a)	128,068	132,421
Subordinated debts, etc. (b)	-	-
Amount excluded from the margin, out of (a) and (b)	(29,945)	(26,905)
Brought in capital	-	-
Deductions	-	-
Others	277	303
(B) Total amount of risks $\sqrt{(R_1 + R_8)^2 + (R_2 + R_3 + R_7)^2} + R_4$	43,710	46,538
Insurance risk (R_1)	14,298	14,710
Insurance risk of third sector insurance contracts (R_8)	6,082	7,201
Assumed interest rate risk (R_2)	2,958	3,003
Minimum guarantee risk (R_7)	-	-
Asset management risk (R_3)	33,761	35,970
Business administration risk (R_4)	1,713	1,826
(C) Solvency margin ratio [(A) / {(B) x 1/2}] x 100	1,264.9 %	1,463.0 %

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

Non-Consolidated Balance Sheets

(Yen in millions)

Items	March 31, 2014	December 31, 2014
(Assets)		
Cash, deposits and savings	40,523	60,931
Call loans	7,191	158,341
Money trusts	680,806	605,292
Investments in securities	3,350,422	3,776,856
Loans	448	492
Tangible fixed assets	945	784
Intangible fixed assets	3,696	4,140
Reinsurance accounts receivable	269	161
Other assets	45,368	45,512
Deferred tax assets	34,002	31,268
Total assets	4,163,675	4,683,780
(Liabilities)		
Policy liabilities:	3,993,094	4,474,871
Outstanding claims	10,819	10,499
Underwriting reserves	3,982,275	4,464,372
Due to agencies	7,075	8,326
Reinsurance accounts payable	2,552	2,913
Other liabilities:	31,610	47,329
Income taxes payable	1,711	-
Lease obligations	688	565
Asset retirement obligations	125	127
Other liabilities	29,085	46,636
Reserves under the special laws:	40,136	41,362
Reserve for price fluctuation	40,136	41,362
Total liabilities	4,074,470	4,574,804
(Net assets)		
Common stock	41,060	41,060
Capital surplus	24,735	24,735
Retained earnings	22,669	36,290
Total shareholders' equity	88,464	102,085
Net unrealized gains/(losses) on investments in securities	741	6,890
Total valuation and translation adjustments	741	6,890
Total net assets	89,205	108,976
Total liabilities and net assets	4,163,675	4,683,780

Non-Consolidated Statements of Income

(Yen in millions)

Items	Nine months ended December 31, 2013	Nine months ended December 31, 2014
Ordinary income:	962,298	1,239,376
Insurance premiums and others:	571,840	765,045
Insurance premiums	569,418	763,797
Investment income:	385,959	471,844
Interest and dividends income	2,928	30,849
Investment gains on money trusts	5,140	97,603
Gains on sales of securities	0	17,904
Investment gains on separate accounts	373,183	303,102
Other ordinary income:	4,498	2,486
Reversal of outstanding claims	2,564	320
Ordinary expenses:	926,886	1,219,055
Insurance claims and others:	609,703	678,522
Insurance claims	38,103	39,071
Annuity payments	38,469	44,203
Benefits	137,806	125,827
Surrender benefits	372,361	443,045
Other refunds	1,368	1,819
Provision for underwriting reserves and others:	271,152	482,097
Provision for underwriting reserves	271,152	482,097
Investment expenses:	864	367
Interest expense	0	0
Losses on derivative transactions	389	174
Operating expenses	40,633	51,202
Other ordinary expenses	4,532	6,865
Ordinary profit	35,411	20,321
Extraordinary income	-	-
Extraordinary losses	900	1,237
Income before income taxes	34,510	19,083
Income taxes	11,696	3,462
Net income	22,814	15,620

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

(1) Policies in force

(Yen in millions)

	March 31, 2014		December 31, 2014	
	Number of policies (in thousands)	Amount	Number of policies (in thousands)	Amount
Individual insurance	175	1,073,428	244	1,498,107
Individual annuities	365	2,950,965	345	2,959,760
Group insurance	-	-	-	-
Group annuities	-	-	-	-

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

(2) New policies

(Yen in millions)

	Nine months ended December 31, 2013				Nine months ended December 31, 2014			
	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	80	427,833	427,833	-	114	621,689	621,689	-
Individual annuities	19	120,672	120,672	-	21	122,949	122,949	-
Group insurance	-	-	-	-	-	-	-	-
Group annuities	-	-	-	-	-	-	-	-

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

Annualized Premiums

(1) Policies in force

(Yen in millions)

	March 31, 2014	December 31, 2014
Individual insurance	70,148	97,835
Individual annuities	384,155	362,093
Total:	454,303	459,928
Medical coverage, living benefits, etc.	105	109

(2) New policies

(Yen in millions)

	Nine months ended December 31, 2013	Nine months ended December 31, 2014
Individual insurance	28,229	41,776
Individual annuities	92,199	90,416
Total:	120,428	132,192
Medical coverage, living benefits, etc.	-	-

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

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

Non-Consolidated Business Performance

(Yen in millions)

	Nine months ended December 31, 2013	Nine months ended December 31, 2014	Change
Fundamental revenues:	981,553	1,206,118	224,564
Insurance premiums and others	571,840	765,045	193,205
Fundamental expenses	934,422	1,212,839	278,416
Fundamental profit	47,130	(6,721)	(53,852)
Capital gains/(losses)	(3,934)	33,083	37,018
Non-recurring gains/(losses)	(7,784)	(6,041)	1,743
Ordinary profit	35,411	20,321	(15,090)
Extraordinary income	-	-	-
Extraordinary losses	900	1,237	337
Provision for reserve for dividends to policyholders	-	-	-
Income taxes	11,696	3,462	(8,233)
Net income	22,814	15,620	(7,193)

Non-Consolidated Solvency Margin Ratio

(Yen in millions)

	March 31, 2014	December 31, 2014
(A) Total amount of solvency margin	347,258	337,327
Total capital	86,464	102,085
Reserve for price fluctuation	40,136	41,362
Contingency reserve	64,460	70,501
General bad debt reserve	-	-
Net unrealized gains/(losses) on investments in securities x 90%	963	8,959
Net unrealized gains/(losses) on land x 85%	-	-
Excess of continued Zillmerized reserve (a)	146,219	98,458
Subordinated debts, etc. (b)	-	-
Amount excluded from the margin, out of (a) and (b)	-	-
Brought in capital	-	-
Deductions	-	-
Others	9,013	15,959
(B) Total amount of risks $\sqrt{(R_1 + R_8)^2 + (R_2 + R_3 + R_7)^2} + R_4$	69,128	77,517
Insurance risk (R_1)	62	43
Insurance risk of third sector insurance contracts (R_8)	13	11
Assumed interest rate risk (R_2)	26,207	31,741
Minimum guarantee risk (R_7)	11,581	7,458
Asset management risk (R_3)	29,982	36,796
Business administration risk (R_4)	1,356	1,521
(C) Solvency margin ratio [(A) / {(B) x 1/2}] x 100	1,004.6 %	870.3 %