

[Translation]

SUMMARY OF FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED JUNE 30, 2014

August 8, 2014

Name of Listed Company: **MS&AD Insurance Group Holdings, Inc.**
 Stock Exchange Listing: Tokyo Stock Exchange and Nagoya Stock Exchange
 Securities Code Number: 8725
 URL: <http://www.ms-ad-hd.com>
 Representative: Yasuyoshi Karasawa, President
 Contact: Noriyuki Horie, Manager, Consolidated Accounting Section, Accounting Department
 Telephone: 03-6202-5273

Scheduled date to file the quarterly financial report: August 11, 2014
 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 Three Months Ended June 30, 2014 (April 1, 2014 to June 30, 2014)

(1) Consolidated business performance

(Yen in millions)

	Ordinary income		Ordinary profit/(loss)		Net income/(loss)	
Three months ended June 30, 2014	1,209,956	15.8 %	92,302	(21.8) %	64,755	(22.1) %
Three months ended June 30, 2013	1,045,065	(6.5) %	118,070	515.7 %	83,148	638.2 %

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

(Note) Comprehensive income/(loss) For the three months ended June 30, 2014: ¥ 167,184 million 4.6 %
 For the three months ended June 30, 2013: ¥ 159,841 million - %

(Yen)

	Net income/(loss) per share - Basic	Net income/(loss) per share - Diluted
Three months ended June 30, 2014	104.54	-
Three months ended June 30, 2013	133.71	-

(2) Consolidated financial conditions

(Yen in millions)

	Total assets	Net assets	Ratio of net assets less minority interests to total assets
June 30, 2014	17,256,826	2,422,256	13.9 %
March 31, 2014	16,878,148	2,285,832	13.4 %

(Reference) Net assets less minority interests As of June 30, 2014: ¥ 2,396,119 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	-				
Year ending March 31, 2015 (Forecast)		29.00	-	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	150,000	(21.2) %	100,000	7.0 %	162.12

Percent figures represent changes from the preceding year.

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

*** Notes**

(1) Changes in significant subsidiaries during 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 June 30, 2014: 633,291,754 shares

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

2. Number of shares of treasury stock

As of June 30, 2014: 17,349,343 shares

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

3. Average number of shares of outstanding stock

For the three months ended June 30, 2014: 619,402,652 shares

For the three months ended June 30, 2013: 621,834,794 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 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 forecasts of consolidated ordinary income for the current fiscal year and consolidated earnings for the second quarter (cumulative) are not disclosed due to difficulties in calculating reasonable forecast figures stemming from a high susceptibility to natural disasters and market conditions.

Contents

	Page
1. Qualitative Information on Business Results	
(1) Explanation for Business Performance	2
(2) Explanation for Financial Conditions	2
(3) Explanation for Future Forecast Information including Consolidated Earnings Forecasts ...	2
2. Notes to Summary of Financial Statements	
(1) Adoption of Special Accounting Methods Allowed to be Applied to Quarterly Consolidated Financial Statements	2
(2) Changes in Accounting Policies and Accounting Estimates and Restatements	2
3. Consolidated Financial Statements	
(1) Consolidated Balance Sheets	3
(2) Consolidated Statements of Income and Comprehensive Income	4
(3) Notes to Consolidated Financial Statements	6
(Notes to Going Concern Assumptions)	6
(Notes to Significant Changes in Shareholders' Equity)	6
Explanatory Material for Business Results	
1. Summary of Consolidated Business Results	7
2. Non-Consolidated Business Results of Mitsui Sumitomo Insurance Co., Ltd.	10
3. Non-Consolidated Business Results of Aioi Nissay Dowa Insurance Co., Ltd.	14
4. Supplementary Information	
(1) Supplementary Information on Consolidated Business Results	18
(2) Summary of Business Results of Main Consolidated Subsidiaries	20

1. Qualitative Information on Business Results

(1) Explanation for Business Performance

During the three months ended June 30, 2014, the Japanese economy was on a gradual recovery trend with an improvement in corporate earnings and an increase in capital expenditures, while seeing slowdowns in some areas including consumer spending which had a reversal from the rush of demand ahead of the consumption tax hike.

In this business environment, the business performance of the Group for the three months ended June 30, 2014 was as follows.

Underwriting income was ¥1,060.8 billion (of which net premiums written were ¥733.6 billion), investment income was ¥144.6 billion and other ordinary income was ¥4.4 billion, resulting in total ordinary income of ¥1,209.9 billion. Ordinary expenses amounted to ¥1,117.6 billion. This breaks down into underwriting expenses of ¥963.6 billion (of which net claims paid were ¥425.3 billion), investment expenses of ¥8.8 billion, operating expenses and general and administrative expenses of ¥142.5 billion and other ordinary expenses of ¥2.5 billion.

As a result, the Company posted an ordinary profit of ¥92.3 billion, marking a decrease of ¥25.7 billion from the same period last year. After factoring in extraordinary income and losses, income taxes and other factors, net income of ¥64.7 billion was reported with a decrease of ¥18.3 billion year on year.

(2) Explanation for Financial Conditions

As of June 30, 2014, total assets stood at ¥17,256.8 billion with an increase of ¥378.6 billion from March 31, 2014, and net assets stood at ¥2,422.2 billion with an increase of ¥136.4 billion from March 31, 2014 mainly 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 ¥150.0 billion and net income of ¥100.0 billion for the year ending March 31, 2015 unchanged from the forecasts announced on May 20, 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 income tax expenses mainly 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 during the fiscal year when the costs incurred. Regarding business combinations occurring at or after the beginning of the first quarter of the current consolidation 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 first 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 first quarter of the current consolidated fiscal year were to decrease goodwill by ¥3,396 million and capital surplus by ¥7,403 million and to increase retained earnings by ¥4,006 million, resulting in an increase in both ordinary profit and income before income taxes and minority interests for the three months ended June 30, 2014 by ¥60 million.

3. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Yen in millions)

	March 31, 2014	June 30, 2014
Assets		
Cash, deposits and savings	563,370	471,417
Call loans	78,649	101,056
Receivables under resale agreements	23,997	72,491
Receivables under securities borrowing transactions	228,706	266,476
Monetary claims bought	73,337	96,331
Money trusts	693,628	695,599
Investments in securities	12,710,203	13,061,280
Loans	807,300	801,226
Tangible fixed assets	484,272	479,067
Intangible fixed assets	179,609	170,595
Other assets	844,543	863,856
Assets for retirement benefits	49,123	48,622
Deferred tax assets	108,550	93,493
Customers' liabilities under acceptances and guarantees	53,500	54,500
Bad debt reserve	(20,643)	(19,187)
Total assets	16,878,148	17,256,826
Liabilities		
Policy liabilities:	13,111,219	13,278,632
Outstanding claims	1,467,103	1,432,929
Underwriting reserves	11,644,116	11,845,703
Bonds issued	226,185	226,186
Other liabilities	837,238	898,591
Liabilities for pension and retirement benefits	157,277	159,375
Reserve for retirement benefits for officers	1,121	1,058
Accrued bonuses for employees	21,313	1,817
Reserves under the special laws:	67,054	68,611
Reserve for price fluctuation	67,054	68,611
Deferred tax liabilities	117,404	145,795
Acceptances and guarantees	53,500	54,500
Total liabilities	14,592,316	14,834,569
Net assets		
Shareholders' equity:		
Common stock	100,000	100,000
Capital surplus	682,752	675,349
Retained earnings	385,295	436,699
Treasury stock	(29,903)	(39,909)
Total shareholders' equity	1,138,144	1,172,139
Accumulated other comprehensive income/(loss):		
Net unrealized gains/(losses) on investments in securities	1,053,222	1,159,163
Net deferred gains/(losses) on hedges	23,430	26,824
Foreign currency translation adjustments	35,261	27,637
Accumulated actuarial gains/(losses) on retirement benefits	10,266	10,354
Total accumulated other comprehensive income/(loss)	1,122,180	1,223,980
Minority interests	25,507	26,137
Total net assets	2,285,832	2,422,256
Total liabilities and net assets	16,878,148	17,256,826

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

(Yen in millions)

	Three months ended June 30, 2013	Three months ended June 30, 2014
Ordinary income:	1,045,065	1,209,956
Underwriting income:	855,452	1,060,840
Net premiums written	690,709	733,669
Deposit premiums from policyholders	36,375	38,176
Investment income on deposit premiums from policyholders	13,297	12,675
Life insurance premiums	33,539	245,422
Reversal of outstanding claims	20,127	29,735
Reversal of underwriting reserves	59,332	-
Investment income:	187,418	144,692
Interest and dividends income	66,079	72,716
Investment gains on money trusts	4,675	16,228
Gains on sales of securities	23,416	8,875
Gains on derivative transactions	2,998	886
Investment gains on separate accounts	102,053	55,505
Transfer of investment income on deposit premiums from policyholders	(13,297)	(12,675)
Other ordinary income	2,193	4,422
Ordinary expenses:	926,995	1,117,653
Underwriting expenses:	747,860	963,658
Net claims paid	416,358	425,387
Loss adjustment expenses	33,250	37,670
Commissions and collection expenses	134,912	150,056
Maturity refunds to policyholders	70,434	65,456
Life insurance claims	89,163	76,490
Provision for underwriting reserves	-	205,565
Investment expenses:	46,059	8,889
Investment losses on money trusts	40,442	1,123
Losses on sales of securities	959	2,208
Impairment losses on securities	2,880	3,830
Operating expenses and general and administrative expenses	129,051	142,506
Other ordinary expenses:	4,023	2,599
Interest expense	2,056	1,801
Ordinary profit/(loss)	118,070	92,302
Extraordinary income:	70	2,720
Gains on sales of fixed assets	70	2,720
Extraordinary losses:	1,782	4,117
Losses on sales of fixed assets	130	1,064
Impairment losses on fixed assets	277	1,496
Provision for reserves under the special law:	1,374	1,556
Provision for reserve for price fluctuation	1,374	1,556
Income/(loss) before income taxes and minority interests	116,358	90,905
Income taxes	32,428	25,183
Income/(loss) before minority interests	83,930	65,722
Minority interests	781	966
Net income/(loss)	83,148	64,755

(Consolidated Statements of Comprehensive Income)

(Yen in millions)

	Three months ended June 30, 2013	Three months ended June 30, 2014
Income/(loss) before minority interests	83,930	65,722
Other comprehensive income/(loss):		
Net unrealized gains/(losses) on investments in securities	54,314	104,864
Net deferred gains/(losses) on hedges	(7,455)	3,393
Foreign currency translation adjustments	24,888	(9,174)
Accumulated actuarial gains/(losses) on retirement benefits	-	87
Share of other comprehensive income/(loss) of equity method investments	4,163	2,290
Total other comprehensive income/(loss)	75,911	101,462
Total comprehensive income/(loss)	159,841	167,184
Allocation:		
Comprehensive income/(loss) attributable to shareholders of the parent	157,505	166,555
Comprehensive income/(loss) attributable to minority interests	2,336	629

(3) Notes to Consolidated Financial Statements

(Notes to Going Concern Assumptions)

Not applicable.

(Notes to Significant Changes in Shareholders' Equity)

Not applicable.

Explanatory Material for Business Results

1. Summary of Consolidated Business Results

(1) Consolidated Business Performance

(Yen in 100 millions)

	Items	Three months ended June 30, 2013	Three months ended June 30, 2014	Change	Change ratio (%)
Ordinary income and expenses:					
Underwriting income:	1	8,554	10,609	2,055	24.0
Net premiums written	2	6,904	7,338	433	6.3
Deposit premiums from policyholders	3	363	381	18	5.0
Life insurance premiums	4	335	2,454	2,118	631.7
Reversal of outstanding claims	5	201	297	96	47.7
Reversal of underwriting reserves	6	596	-	(596)	(100.0)
Underwriting expenses:	7	7,478	9,638	2,159	28.9
Net claims paid	8	4,163	4,253	90	2.2
Loss adjustment expenses	9	332	376	44	13.3
Commissions and collection expenses	10	1,349	1,500	151	11.2
Maturity refunds to policyholders	11	704	654	(49)	(7.1)
Life insurance claims	12	891	764	(126)	(14.2)
Provision for underwriting reserves	13	-	2,057	2,057	-
Investment income:	14	1,874	1,446	(427)	(22.8)
Interest and dividends income	15	660	727	66	10.0
Investment gains on money trusts	16	46	162	115	247.1
Gains on sales of securities	17	234	88	(145)	(62.1)
Gains on derivative transactions	18	29	8	(21)	(70.4)
Investment gains on separate accounts	19	1,020	555	(465)	(45.6)
Investment expenses:	20	460	88	(371)	(80.7)
Investment losses on money trusts	21	404	11	(393)	(97.2)
Losses on sales of securities	22	9	22	12	130.2
Impairment losses on securities	23	28	38	9	33.0
Operating expenses and general and administrative expenses	24	1,290	1,425	134	10.4
Other ordinary income and expenses:	25	(18)	18	36	-
Gains/(losses) on equity method investments	26	3	6	2	62.9
Ordinary profit/(loss)	27	1,180	923	(257)	(21.8)
Extraordinary income and losses:					
Extraordinary income	28	0	27	26	3,735.1
Extraordinary losses	29	17	41	23	131.0
Extraordinary income/(losses)	30	(17)	(13)	3	-
Income/(loss) before income taxes and minority interests	31	1,163	909	(254)	(21.9)
Income taxes	32	324	251	(72)	(22.3)
Income/(loss) before minority interests	33	839	657	(182)	(21.7)
Minority interests	34	7	9	1	23.7
Net income/(loss)	35	831	647	(183)	(22.1)

(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	Three months ended June 30, 2013	Three months ended June 30, 2014	Change	Change ratio (%)
Net premiums written	1	6,904	7,338	433	6.3
Mitsui Sumitomo Insurance	2	3,374	3,551	177	5.3
Aioi Nissay Dowa Insurance	3	2,814	2,898	83	3.0
Mitsui Direct General Insurance	4	89	86	(3)	(3.6)
Overseas insurance subsidiaries	5	617	789	172	28.0
Ordinary profit/(loss)	6	1,180	923	(257)	(21.8)
Mitsui Sumitomo Insurance	7	666	350	(316)	(47.4)
Aioi Nissay Dowa Insurance	8	376	447	71	19.1
Net income/(loss)	9	831	647	(183)	(22.1)
Mitsui Sumitomo Insurance	10	488	244	(243)	(49.9)
Aioi Nissay Dowa Insurance	11	271	394	122	45.0
Mitsui Direct General Insurance	12	8	8	(0)	(4.3)
Mitsui Sumitomo Aioi Life Insurance	13	21	14	(6)	(32.2)
Mitsui Sumitomo Primary Life Insurance	14	62	8	(54)	(86.1)
Overseas insurance subsidiaries	15	94	82	(12)	(13.1)
Others	16	5	8	2	53.7
Consolidation adjustments and holding company	17	(121)	(113)	8	-

(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	Three months ended June 30, 2013	Three months ended June 30, 2014	Change	Change ratio (%)
Net premiums written	1	617	789	172	28.0
Asia	2	288	367	79	27.4
Europe	3	165	236	71	43.4
Americas	4	92	105	13	14.5
Reinsurance	5	70	79	8	11.9
Net income/(loss)	6	94	82	(12)	(13.1)
Asia	7	45	37	(8)	(18.1)
Europe	8	18	22	3	18.0
Americas	9	3	2	(1)	(33.5)
Reinsurance	10	26	20	(6)	(24.0)

(4) Summary of Results of Domestic Life Insurance Business

(Yen in 100 millions)

	Items	Three months ended June 30, 2013	Three months ended June 30, 2014	Change	Change ratio (%)	Year ended March 31, 2014
Amount of new policies						
Mitsui Sumitomo Aioi Life Insurance	1	6,251	6,126	(124)	(2.0)	26,722
Mitsui Sumitomo Primary Life Insurance	2	1,155	2,187	1,032	89.3	8,005
Amount of policies in force						
Mitsui Sumitomo Aioi Life Insurance	3	202,874	212,958	1,908	0.9	211,050
Mitsui Sumitomo Primary Life Insurance	4	35,845	41,772	1,528	3.8	40,243
Annualized premiums for policies in force						
Mitsui Sumitomo Aioi Life Insurance	5	3,200	3,374	39	1.2	3,335
Mitsui Sumitomo Primary Life Insurance	6	4,190	4,640	97	2.1	4,543

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

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	Three months ended June 30, 2013	Three months ended June 30, 2014	Change	Change ratio
					%
(+)	Net premiums written	3,374	3,551	177	5.3
(-)	Net claims paid	2,089	2,051	(37)	(1.8)
(-)	Loss adjustment expenses	185	217	31	17.3
(-)	Commissions and collection expenses	607	641	33	5.6
(-)	Operating expenses and general and administrative expenses for underwriting	495	534	39	7.9
	Underwriting profit/(loss) before movements in reserves	(2)	106	109	-
(-)	Movement in outstanding claims	(110)	(45)	64	-
(-)	Movement in ordinary underwriting reserves	13	80	66	491.0
(-)	Movement in catastrophe reserve	(132)	(19)	113	-
(+)	Other	7	5	(1)	(20.5)
	Underwriting profit/(loss)	233	97	(136)	(58.5)
(+)	Interest and dividends income	403	360	(42)	(10.6)
(-)	Transfer of investment income on deposit premiums from policyholders	104	99	(4)	(4.3)
	Net interest and dividends income (item 12 - item 13)	299	261	(38)	(12.8)
(+)	Gains/(losses) on sales of securities	150	35	(114)	(76.1)
(-)	Impairment losses on securities	5	36	30	521.0
(+)	Gains/(losses) on derivative transactions	42	18	(24)	(57.6)
(+)	Other	(18)	(18)	0	-
	Investment profit/(loss)	467	260	(207)	(44.3)
(+)	Other ordinary profit/(loss)	(34)	(6)	27	-
	Ordinary profit/(loss)	666	350	(316)	(47.4)
(+)	Extraordinary income/(losses):	(8)	6	15	-
	Gains/(losses) on reserve for price fluctuation	(6)	(6)	(0)	-
	Income/(loss) before income taxes	658	357	(300)	(45.7)
(-)	Income taxes	169	112	(57)	(33.6)
	Net income/(loss)	488	244	(243)	(49.9)

Ratios	Net loss ratio	27	67.4 %	63.9 %	(3.5) %	
	Net expense ratio	28	32.7 %	33.1 %	0.4 %	
	Combined ratio	29	100.1 %	97.0 %	(3.1) %	

- (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

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

	Net premiums written	30	3,018	3,139	121	4.0
Ratios	Net loss ratio	31	63.7 %	60.7 %	(3.0) %	
	Net expense ratio	32	33.9 %	34.9 %	1.0 %	
	Combined ratio	33	97.6 %	95.6 %	(2.0) %	

* 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)			
	Three months ended June 30, 2013		Three months ended June 30, 2014		Three months ended June 30, 2013		Three months ended June 30, 2014	
	Amount	Change ratio %	Amount	Change ratio %	Amount	Change ratio %	Amount	Change ratio %
Fire and allied	417	17.3	461	10.6	620	7.7	696	12.2
Marine	148	9.8	161	8.9	211	11.3	227	7.5
Personal accident	382	0.4	394	3.3	403	0.7	414	2.9
Voluntary automobile	1,547	3.3	1,590	2.8	1,555	3.3	1,589	2.2
CALI	353	(1.3)	410	16.0	419	6.9	419	0.1
Other	525	2.3	532	1.3	573	5.9	608	6.2
Total	3,374	4.1	3,551	5.3	3,783	4.9	3,957	4.6

(3) Net claims paid

(Yen in 100 millions)

	Three months ended June 30, 2013			Three months ended June 30, 2014			
	Amount	Change ratio %	Net loss ratio %	Amount	Change ratio %	Net loss ratio %	Change %
Fire and allied	411	(22.3)	101.4	435	5.9	96.9	(4.5)
Marine	68	5.2	48.7	71	5.0	47.1	(1.6)
Personal accident	201	5.6	58.0	198	(1.6)	56.1	(1.9)
Voluntary automobile	866	(4.3)	62.7	809	(6.5)	59.1	(3.6)
CALI	320	(6.0)	99.7	330	3.0	88.6	(11.1)
Other	221	8.0	44.6	206	(6.8)	41.4	(3.2)
Total	2,089	(6.6)	67.4	2,051	(1.8)	63.9	(3.5)

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

(Reference) Incurred losses caused by natural disasters in Japan

(Yen in 100 millions)

	Three months ended June 30, 2013			Three months ended June 30, 2014		
	Incurred losses	Net claims paid	Movement in outstanding claims	Incurred losses	Net claims paid	Movement in outstanding claims
Fire and allied	15	7	7	-	-	-
Voluntary automobile	1	1	0	-	-	-
Other	1	0	0	-	-	-
Total	17	9	7	-	-	-

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

Net claims paid caused by heavy snowfall disaster in February, 2014 is ¥23.5 billion (¥21.0 billion in Fire and allied, ¥1.8 billion in Voluntary automobile and ¥0.6 billion in Other) during the three months ended June 30, 2014.

(Reference) Incurred losses caused by flooding in Thailand

(Yen in 100 millions)

	Three months ended June 30, 2013			Three months ended June 30, 2014		
	Incurred losses	Net claims paid	Movement in outstanding claims	Incurred losses	Net claims paid	Movement in outstanding claims
Incurred losses	(60)	143	(203)	(4)	8	(12)

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

(4) Expenses

<Company expenses>

(Yen in 100 millions)

	Items	Three months ended June 30, 2013			Three months ended June 30, 2014		
		Amount	Change	Change ratio %	Amount	Change	Change ratio %
Personnel expenses	1	424	1	0.4	460	35	8.3
Non-personnel expenses	2	244	(11)	(4.6)	282	37	15.3
Taxes and contributions	3	33	0	1.0	31	(1)	(4.2)
Total	4	702	(9)	(1.3)	774	71	10.2

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

<Expenses for underwriting>

(Yen in 100 millions)

	Items	Three months ended June 30, 2013			Three months ended June 30, 2014		
		Amount	Change	Change ratio %	Amount	Change	Change ratio %
Operating expenses and general and administrative expenses	5	495	(4)	(0.9)	534	39	7.9
Commissions and collection expenses	6	607	22	3.8	641	33	5.6
Total	7	1,103	17	1.6	1,176	72	6.6
Net expense ratio	8	32.7 %	(0.8) %		33.1 %	0.4 %	

(5) Catastrophe reserve

(Yen in 100 millions)

	March 31, 2014		June 30, 2014			
	Balance	Reserve ratio	Reversal	Provision	Balance	Reserve ratio
		%				%
Fire and allied	1,005	47.5	142	41	903	49.1
Marine	693	122.3	-	7	700	108.4
Personal accident	621	43.0	1	12	632	40.0
Voluntary automobile	194	3.2	14	51	231	3.6
Other	1,470	77.8	0	28	1,498	70.3
Total	3,985	32.9	160	140	3,966	31.6

(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 June 30, 2014 has been made using four times of the net premiums written for the three months ended June 30, 2014 as a denominator.

(6) Investment assets

(Yen in 100 millions)

	March 31, 2014	June 30, 2014	
			Change
Cash, deposits and savings	3,387	3,442	55
Investments in securities:	45,026	46,282	1,255
Domestic bonds	18,734	19,167	432
Stock	18,097	18,904	807
Foreign securities	8,033	8,049	15
Other securities	160	160	0
Loans	5,382	5,319	(63)
Land and buildings	2,239	2,225	(14)
Total	56,035	57,269	1,233

(Reference)

Long-term investment assets	15,356	15,271	(84)
-----------------------------	--------	--------	------

(7) Breakdown of interest and dividends income

(Yen in 100 millions)

	Three months ended June 30, 2013	Three months ended June 30, 2014	
			Change
Investments in securities:	357	322	(34)
Domestic bonds	65	57	(7)
Stock	174	221	46
Foreign securities	114	43	(70)
Other securities	2	0	(2)
Loans	22	19	(2)
Land and buildings	16	13	(2)
Other	8	5	(2)
Total	403	360	(42)

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

(Yen in 100 millions)

June 30, 2014	Cost	Fair value	Difference	Change from March 31, 2014
Domestic bonds	18,213	19,167	954	99
Stock	6,870	18,283	11,412	830
Foreign securities	3,106	3,285	178	(0)
Other securities	977	1,024	46	3
Total	29,167	41,759	12,591	932

(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)

	Three months ended June 30, 2013 Gains/(losses)	Three months ended June 30, 2014		
		Gains/(losses)	Gains	Losses
Domestic bonds	28	0	0	0
Stock	118	34	34	-
Foreign securities	3	1	1	0
Other securities	(0)	-	-	-
Total	150	35	35	0

Impairment losses on securities

(Yen in 100 millions)

	Three months ended June 30, 2013	Three months ended June 30, 2014	
			Change
Domestic bonds	-	-	-
Stock	5	0	(4)
Foreign securities	0	35	34
Other securities	-	-	-
Total	5	36	30

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

(1) Business Performance

(Yen in 100 millions)

	Items	Three months ended June 30, 2013	Three months ended June 30, 2014	Change	Change ratio %
(+)	Net premiums written	2,814	2,898	83	3.0
(-)	Net claims paid	1,700	1,813	112	6.6
(-)	Loss adjustment expenses	124	132	7	6.1
(-)	Commissions and collection expenses	524	558	33	6.5
(-)	Operating expenses and general and administrative expenses for underwriting	454	482	27	6.1
	Underwriting profit/(loss) before movements in reserves	10	(88)	(98)	(958.2)
(-)	Movement in outstanding claims	(50)	(241)	(190)	-
(-)	Movement in ordinary underwriting reserves	(16)	7	23	-
(-)	Movement in catastrophe reserve	(65)	(167)	(102)	-
(+)	Other	12	3	(9)	(73.3)
	Underwriting profit/(loss)	154	316	161	104.4
(+)	Interest and dividends income	236	177	(59)	(25.1)
(-)	Transfer of investment income on deposit premiums from policyholders	48	47	(1)	(4.0)
	Net interest and dividends income (item 12 - item 13)	187	130	(57)	(30.6)
(+)	Gains/(losses) on sales of securities	64	12	(52)	(81.3)
(-)	Impairment losses on securities	24	2	(22)	(90.8)
(+)	Gains/(losses) on derivative transactions	3	(3)	(6)	(216.3)
(+)	Other	(19)	(14)	5	-
	Investment profit/(loss)	211	121	(89)	(42.4)
(+)	Other ordinary profit/(loss)	9	8	(0)	(5.0)
	Ordinary profit/(loss)	376	447	71	19.1
(+)	Extraordinary income/(losses):	(4)	94	99	-
	Gains/(losses) on reserve for price fluctuation	(4)	(3)	0	-
	Income/(loss) before income taxes	371	542	171	46.2
(-)	Income taxes	99	148	48	49.3
	Net income/(loss)	271	394	122	45.0

Ratios	Net loss ratio	27	64.9 %	67.1 %	2.2 %	
	Net expense ratio	28	34.8 %	35.9 %	1.1 %	
	Combined ratio	29	99.7 %	103.0 %	3.3 %	

- (Notes) 1. Net loss ratio = (net claims paid + loss adjustment expenses) / net premiums written x 100
2. Net expense ratio = (commissions and collection expenses + operating expenses and general and administrative expenses for underwriting) / net premiums written x 100
3. Combined ratio = net loss ratio + net expense ratio
4. Extraordinary income/(loss) for the three months ended June 30, 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.

(Reference) Business performance excluding residential earthquake insurance and CALI

	Net premiums written	30	2,472	2,507	34	1.4
Ratios	Net loss ratio	31	60.7 %	64.4 %	3.7 %	
	Net expense ratio	32	35.8 %	37.7 %	1.9 %	
	Combined ratio	33	96.5 %	102.1 %	5.6 %	

(2) Premiums written

(Yen in 100 millions)

	Net premiums written				Direct premiums written (excluding deposit premiums from policyholders)			
	Three months ended June 30, 2013		Three months ended June 30, 2014		Three months ended June 30, 2013		Three months ended June 30, 2014	
	Amount	Change ratio %	Amount	Change ratio %	Amount	Change ratio %	Amount	Change ratio %
Fire and allied	288	12.6	285	(1.1)	472	8.3	486	2.9
Marine	28	11.7	25	(9.7)	25	(1.3)	19	(21.8)
Personal accident	189	(0.6)	187	(1.5)	201	(0.9)	197	(2.2)
Voluntary automobile	1,685	3.0	1,712	1.6	1,644	2.1	1,643	(0.0)
CALI	340	(3.7)	389	14.4	447	4.8	452	1.1
Other	282	1.8	298	5.7	354	(7.2)	354	0.0
Total	2,814	2.7	2,898	3.0	3,145	2.0	3,153	0.3

(3) Net claims paid

(Yen in 100 millions)

	Three months ended June 30, 2013			Three months ended June 30, 2014			
	Amount	Change ratio %	Net loss ratio %	Amount	Change ratio %	Net loss ratio %	Change %
Fire and allied	209	(24.2)	75.2	360	71.8	129.3	54.1
Marine	17	41.2	63.4	12	(27.1)	52.8	(10.6)
Personal accident	86	(0.8)	48.4	80	(7.0)	46.6	(1.8)
Voluntary automobile	946	(2.6)	60.8	921	(2.7)	58.5	(2.3)
CALI	300	(6.5)	95.6	305	1.6	84.9	(10.7)
Other	140	(13.5)	52.6	133	(4.9)	48.1	(4.5)
Total	1,700	(7.1)	64.9	1,813	6.6	67.1	2.2

(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)

	Three months ended June 30, 2013			Three months ended June 30, 2014		
	Incurred losses	Net claims paid	Movement in outstanding claims	Incurred losses	Net claims paid	Movement in outstanding claims
Fire and allied	10	7	3	-	-	-
Voluntary automobile	1	1	0	-	-	-
Other	1	0	0	-	-	-
Total	13	9	3	-	-	-

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

Net claims paid caused by heavy snowfall disaster in February, 2014 is ¥22.7 billion (¥20.1 billion in Fire and allied, ¥2.3 billion in Voluntary automobile and ¥0.2 billion in Other) during the three months ended June 30, 2014.

(Reference) Incurred losses caused by flooding in Thailand

(Yen in 100 millions)

	Three months ended June 30, 2013			Three months ended June 30, 2014		
	Incurred losses	Net claims paid	Movement in outstanding claims	Incurred losses	Net claims paid	Movement in outstanding claims
Incurred losses	(16)	7	(24)	(0)	0	(1)

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

(4) Expenses

<Company expenses>

(Yen in 100 millions)

	Items	Three months ended June 30, 2013			Three months ended June 30, 2014		
		Amount	Change	Change ratio %	Amount	Change	Change ratio %
Personnel expenses	1	304	3	1.3	295	(8)	(2.7)
Non-personnel expenses	2	263	9	3.8	306	43	16.7
Taxes and contributions	3	28	0	1.8	28	0	0.3
Total	4	595	14	2.4	631	35	6.0

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

<Expenses for underwriting>

(Yen in 100 millions)

	Items	Three months ended June 30, 2013			Three months ended June 30, 2014		
		Amount	Change	Change ratio %	Amount	Change	Change ratio %
Operating expenses and general and administrative expenses	5	454	17	3.9	482	27	6.1
Commissions and collection expenses	6	524	22	4.5	558	33	6.5
Total	7	978	39	4.2	1,040	61	6.3
Net expense ratio	8	34.8 %	0.5 %		35.9 %	1.1 %	

(5) Catastrophe reserve

(Yen in 100 millions)

	March 31, 2014		June 30, 2014			
	Balance	Reserve ratio	Reversal	Provision	Balance	Reserve ratio
		%				%
Fire and allied	1,045	77.3	197	22	870	76.6
Marine	138	123.3	-	1	139	137.1
Personal accident	589	81.1	-	5	595	79.6
Voluntary automobile	212	3.2	63	55	203	3.0
Other	505	49.7	6	15	514	43.0
Total	2,491	25.4	267	100	2,324	23.2

(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 June 30, 2014 has been made using four times of the net premiums written for the three months ended June 30, 2014 as a denominator.

(6) Investment assets

(Yen in 100 millions)

	March 31, 2014	June 30, 2014	
			Change
Cash, deposits and savings	1,057	1,040	(17)
Investments in securities:	23,654	23,925	271
Domestic bonds	9,696	9,724	28
Stock	7,122	7,406	284
Foreign securities	6,441	6,392	(49)
Other securities	394	401	7
Loans	2,200	2,203	3
Land and buildings	1,721	1,705	(15)
Total	28,632	28,875	242

(Reference)

Long-term investment assets	5,692	5,618	(74)
-----------------------------	-------	-------	------

(7) Breakdown of interest and dividends income

(Yen in 100 millions)

	Three months ended June 30, 2013	Three months ended June 30, 2014	
			Change
Investments in securities:	213	156	(57)
Domestic bonds	25	26	0
Stock	98	83	(14)
Foreign securities	88	43	(45)
Other securities	1	2	0
Loans	9	8	(1)
Land and buildings	11	11	(0)
Other	1	1	(0)
Total	236	177	(59)

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

(Yen in 100 millions)

June 30, 2014	Cost	Fair value	Difference	Change from March 31, 2014
Domestic bonds	9,330	9,724	394	46
Stock	4,275	7,132	2,856	378
Foreign securities	5,519	5,888	368	59
Other securities	266	316	50	9
Total	19,392	23,063	3,670	493

(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)

	Three months ended June 30, 2013 Gains/(losses)	Three months ended June 30, 2014 Gains/(losses)	Gains	Losses
Domestic bonds	11	0	0	0
Stock	32	13	13	0
Foreign securities	20	(1)	15	16
Other securities	-	(0)	-	0
Total	64	12	29	17

Impairment losses on securities

(Yen in 100 millions)

	Three months ended June 30, 2013	Three months ended June 30, 2014	Change
Domestic bonds	-	-	-
Stock	17	0	(17)
Foreign securities	6	1	(4)
Other securities	-	-	-
Total	24	2	(22)

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	Three months ended June 30, 2013			Three months ended June 30, 2014		
	Amount	Share %	Change ratio %	Amount	Share %	Change ratio %
Fire and allied	139,749	17.0	8.5	150,650	17.5	7.8
Marine	32,494	4.0	12.1	35,023	4.1	7.8
Personal accident	89,634	10.9	(4.3)	92,498	10.8	3.2
Voluntary automobile	353,962	43.1	3.8	364,419	42.3	3.0
CALI	86,675	10.6	5.8	87,220	10.1	0.6
Other	117,979	14.4	5.1	131,011	15.2	11.0
Total:	820,496	100.0	4.3	860,823	100.0	4.9
Deposit premiums from policyholders	36,375	4.4	(13.6)	38,176	4.4	5.0

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

Voluntary Automobile	353,677		3.5	364,570		3.1
Total	820,211		4.2	860,974		5.0

Net Premiums Written by Line of Insurance

(Yen in millions)

Lines of Insurance	Three months ended June 30, 2013			Three months ended June 30, 2014		
	Amount	Share %	Change ratio %	Amount	Share %	Change ratio %
Fire and allied	83,700	12.1	16.0	89,778	12.3	7.3
Marine	25,339	3.7	13.7	27,355	3.7	8.0
Personal accident	59,693	8.6	0.8	61,048	8.3	2.3
Voluntary automobile	356,276	51.6	4.2	369,281	50.3	3.7
CALI	69,495	10.1	(2.5)	80,056	10.9	15.2
Other	96,205	13.9	6.0	106,148	14.5	10.3
Total	690,709	100.0	5.0	733,669	100.0	6.2

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

Voluntary automobile	355,990		3.9	369,432		3.8
Total	690,424		4.9	733,820		6.3

Net Claims Paid by Line of Insurance

(Yen in millions)

Lines of Insurance	Three months ended June 30, 2013			Three months ended June 30, 2014		
	Amount	Share %	Change ratio %	Amount	Share %	Change ratio %
Fire and allied	67,109	16.1	(23.4)	85,774	20.2	27.8
Marine	11,230	2.7	9.8	11,539	2.7	2.7
Personal accident	29,596	7.1	4.0	28,728	6.7	(2.9)
Voluntary automobile	199,474	47.9	(2.3)	193,315	45.4	(3.1)
CALI	62,210	15.0	(6.3)	63,660	15.0	2.3
Other	46,737	11.2	7.1	42,369	10.0	(9.3)
Total	416,358	100.0	(5.5)	425,387	100.0	2.2

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

(b) Available-for-Sale Securities

(Yen in millions)

Items	March 31, 2014			June 30, 2014		
	Cost	Carrying amount	Difference	Cost	Carrying amount	Difference
Domestic Bonds	4,234,605	4,428,972	194,367	4,274,227	4,492,052	217,824
Stock	1,209,856	2,433,341	1,223,484	1,197,452	2,542,626	1,345,173
Foreign Securities	1,393,036	1,478,165	85,129	1,393,769	1,484,121	90,351
Other Securities	107,663	114,957	7,293	130,726	139,445	8,719
Total	6,945,161	8,455,437	1,510,275	6,996,175	8,658,245	1,662,069

March 31, 2014	June 30, 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 ¥548 million on Available-for-sale securities with practically determinable fair value (comprised of ¥99 million on Stock and ¥448 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>

(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	June 30, 2014
(Assets)		
Cash, deposits and savings	188,728	113,857
Call loans	50,000	57,500
Receivables under resale agreements	23,997	72,491
Monetary claims bought	65,781	89,821
Money trusts	10,371	10,700
Investments in securities	4,502,619	4,628,200
Loans	538,224	531,918
Tangible fixed assets	238,938	235,201
Intangible fixed assets	40,101	37,716
Other assets	406,584	387,371
Customers' liabilities under acceptances and guarantees	49,094	49,874
Bad debt reserve	(16,423)	(14,996)
Total assets	6,098,017	6,199,656
(Liabilities)		
Policy liabilities:	3,945,530	3,938,473
Outstanding claims	652,310	647,712
Underwriting reserves	3,293,219	3,290,761
Bonds issued	176,185	176,186
Other liabilities:	344,318	356,393
Income taxes payable	4,890	10,156
Lease obligations	1,706	1,471
Asset retirement obligations	4,634	4,659
Other liabilities	333,087	340,105
Reserve for pension and retirement benefits	139,895	141,529
Reserve for retirement benefits for officers	1,070	1,010
Accrued bonuses for employees	11,249	112
Reserves under the special laws:	19,731	20,379
Reserve for price fluctuation	19,731	20,379
Deferred tax liabilities	101,331	129,895
Acceptances and guarantees	49,094	49,874
Total liabilities	4,788,409	4,813,855
(Net assets)		
Common stock	139,595	139,595
Capital surplus	93,107	93,107
Retained earnings	240,357	248,615
Total shareholders' equity	473,061	481,319
Net unrealized gains/(losses) on investments in securities	813,116	877,656
Net deferred gains/(losses) on hedges	23,430	26,824
Total valuation and translation adjustments	836,547	904,481
Total net assets	1,309,608	1,385,800
Total liabilities and net assets	6,098,017	6,199,656

Non-Consolidated Statements of Income

(Yen in millions)

Items	Three months ended June 30, 2013	Three months ended June 30, 2014
Ordinary income:	464,024	434,784
Underwriting income:	412,667	401,020
Net premiums written	337,713	354,994
Deposit premiums from policyholders	27,133	28,988
Investment income on deposit premiums from policyholders	10,404	9,961
Reversal of outstanding claims	11,020	4,598
Reversal of underwriting reserves	26,369	2,458
Investment income:	50,760	32,296
Interest and dividends income	40,328	36,064
Investment gains on money trusts	184	334
Gains on sales of securities	15,426	3,596
Gains on derivative transactions	4,281	1,816
Transfer of investment income on deposit premiums from policyholders	(10,404)	(9,961)
Other ordinary income	596	1,467
Ordinary expenses:	397,327	399,722
Underwriting expenses:	340,393	338,049
Net claims paid	208,903	205,168
Loss adjustment expenses	18,507	21,705
Commissions and collection expenses	60,786	64,174
Maturity refunds to policyholders	50,920	45,792
Investment expenses:	2,203	4,469
Investment losses on money trusts	-	1
Losses on sales of securities	399	8
Impairment losses on securities	581	3,611
Operating expenses and general and administrative expenses	51,766	55,713
Other ordinary expenses:	2,964	1,489
Interest expense	1,785	1,471
Ordinary profit	66,697	35,062
Extraordinary income	29	3,683
Extraordinary losses	915	3,025
Income before income taxes	65,811	35,720
Income taxes	16,975	11,263
Net income	48,836	24,456

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	June 30, 2014
(A) Total amount of solvency margin	2,120,694	2,237,836
Total net assets	456,862	481,319
Reserve for price fluctuation	19,731	20,379
Contingency reserve	175	219
Catastrophe reserve	410,755	409,014
General bad debt reserve	1,420	1,385
Net unrealized gains/(losses) on investments in securities (prior to tax effect deductions)	1,054,940	1,138,427
Net unrealized gains/(losses) on land	31,656	30,998
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	43,157
Others	82,117	93,059
(B) Total amount of risks $\sqrt{(R_1 + R_2)^2 + (R_3 + R_4)^2} + R_5 + R_6$	706,497	735,714
General insurance risk (R_1)	113,474	113,859
Insurance risk of third sector insurance contracts (R_2)	-	-
Assumed interest rate risk (R_3)	19,248	18,954
Asset management risk (R_4)	527,293	541,740
Business administration risk (R_5)	15,849	16,433
Catastrophe risk (R_6)	132,450	147,141
(C) Solvency margin ratio $[(A) / \{(B) \times 1/2\}] \times 100$	600.3%	608.3%

(Note) The non-consolidated solvency margin ratio for June 30, 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 March 31, 2014.

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

Non-Consolidated Balance Sheets

(Yen in millions)

Items	March 31, 2014	June 30, 2014
(Assets)		
Cash, deposits and savings	81,958	79,455
Call loans	21,000	22,000
Monetary claims bought	477	306
Money trusts	2,310	2,278
Investments in securities	2,365,453	2,392,565
Loans	220,015	220,397
Tangible fixed assets	183,620	182,862
Intangible fixed assets	33,390	31,900
Other assets	222,050	236,611
Prepaid pension expenses	43,472	43,876
Deferred tax assets	78,076	63,164
Customers' liabilities under acceptances and guarantees	7,500	7,500
Bad debt reserve	(2,146)	(2,136)
Total assets	3,257,180	3,280,783
(Liabilities)		
Policy liabilities:	2,420,418	2,373,028
Outstanding claims	510,416	486,254
Underwriting reserves	1,910,002	1,886,773
Bonds issued	50,000	50,000
Other liabilities:	153,051	165,210
Income taxes payable	2,790	15,262
Lease obligations	328	298
Asset retirement obligations	558	557
Other liabilities	149,374	149,091
Reserve for pension and retirement benefits	13,775	14,736
Accrued bonuses for employees	5,962	179
Reserve for Reorganization by Function	3,040	2,296
Reserves under the special laws:	3,239	3,636
Reserve for price fluctuation	3,239	3,636
Acceptances and guarantees	7,500	7,500
Total liabilities	2,656,987	2,616,588
(Net assets)		
Common stock	100,005	100,005
Capital surplus	81,210	81,210
Retained earnings	197,397	227,707
Total shareholders' equity	378,612	408,922
Net unrealized gains/(losses) on investments in securities	221,580	255,272
Total valuation and translation adjustments	221,580	255,272
Total net assets	600,192	664,195
Total liabilities and net assets	3,257,180	3,280,783

Non-Consolidated Statements of Income

(Yen in millions)

Items	Three months ended June 30, 2013	Three months ended June 30, 2014
Ordinary income:	343,453	368,201
Underwriting income:	316,880	351,160
Net premiums written	281,492	289,818
Deposit premiums from policyholders	9,242	9,188
Investment income on deposit premiums from policyholders	4,895	4,702
Reversal of outstanding claims	5,066	24,161
Reversal of underwriting reserves	14,912	23,228
Investment income:	26,038	15,972
Interest and dividends income	23,695	17,741
Investment gains on money trusts	0	0
Gains on sales of securities	6,833	2,908
Gains on derivative transactions	321	-
Transfer of investment income on deposit premiums from policyholders	(4,895)	(4,702)
Other ordinary income	534	1,068
Ordinary expenses:	305,852	323,428
Underwriting expenses:	254,992	270,885
Net claims paid	170,094	181,334
Loss adjustment expenses	12,492	13,257
Commissions and collection expenses	52,424	55,816
Maturity refunds to policyholders	19,514	19,663
Investment expenses:	3,483	2,361
Losses on sales of securities	387	1,700
Impairment losses on securities	2,428	223
Losses on derivative transactions	-	373
Operating expenses and general and administrative expenses	47,100	49,900
Other ordinary expenses:	275	281
Interest expense	188	188
Ordinary profit	37,600	44,773
Extraordinary income	25	10,033
Extraordinary losses	511	563
Income before income taxes	37,113	54,243
Income taxes	9,937	14,833
Net income	27,176	39,409

Non-Consolidated Solvency Margin Ratio

(Yen in millions)

	March 31, 2014	June 30, 2014
(A) Total amount of solvency margin	1,027,044	1,111,402
Total net assets	369,512	408,922
Reserve for price fluctuation	3,239	3,636
Contingency reserve	747	760
Catastrophe reserve	257,490	240,873
General bad debt reserve	418	432
Net unrealized gains/(losses) on investments in securities (prior to tax effect deductions)	287,683	331,427
Net unrealized gains/(losses) on land	2,038	2,009
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	9,954
Others	65,866	83,293
(B) Total amount of risks $\sqrt{(R_1 + R_2)^2 + (R_3 + R_4)^2} + R_5 + R_6$	272,396	281,263
General insurance risk (R ₁)	101,281	101,437
Insurance risk of third sector insurance contracts (R ₂)	-	-
Assumed interest rate risk (R ₃)	9,911	9,784
Asset management risk (R ₄)	179,721	186,567
Business administration risk (R ₅)	6,829	7,020
Catastrophe risk (R ₆)	50,581	53,237
(C) Solvency margin ratio [(A) / {(B) x 1/2}] x 100	754.0%	790.2%

(Note) The non-consolidated solvency margin ratio for June 30, 2014 is calculated by partially applying the simplified method where components such as the catastrophe risk (R₆) are calculated based on the data used for March 31, 2014.

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

Non-Consolidated Balance Sheets

(Yen in millions)

Items	March 31, 2014	June 30, 2014
(Assets)		
Cash, deposits and savings	3,319	3,208
Investments in securities	35,104	35,694
Tangible fixed assets	212	198
Intangible fixed assets	2,073	2,042
Other assets	5,878	5,221
Bad debt reserve	(3)	(2)
Total assets	46,584	46,362
(Liabilities)		
Policy liabilities:	34,079	32,947
Outstanding claims	14,582	14,497
Underwriting reserves	19,497	18,450
Other liabilities:	988	1,029
Income taxes payable	99	49
Asset retirement obligations	12	12
Other liabilities	876	966
Accrued bonuses for employees	214	-
Reserves under the special laws:	34	36
Reserve for price fluctuation	34	36
Deferred tax liabilities	44	31
Total liabilities	35,360	34,044
(Net assets)		
Common stock	32,600	32,600
Capital surplus	2,500	2,500
Retained earnings	(24,054)	(22,930)
Total shareholders' equity	11,045	12,169
Net unrealized gains/(losses) on investments in securities	178	148
Total valuation and translation adjustments	178	148
Total net assets	11,223	12,318
Total liabilities and net assets	46,584	46,362

Non-Consolidated Statements of Income

(Yen in millions)

Items	Three months ended June 30, 2013	Three months ended June 30, 2014
Ordinary income:	9,953	9,816
Underwriting income:	9,919	9,782
Net premiums written	8,965	8,645
Investment income on deposit premiums from policyholders	3	4
Reversal of outstanding claims	240	85
Reversal of underwriting reserves	710	1,046
Investment income:	32	31
Interest and dividends income	35	36
Transfer of investment income on deposit premiums from policyholders	(3)	(4)
Other ordinary income	1	2
Ordinary expenses:	8,764	8,685
Underwriting expenses:	6,854	6,744
Net claims paid	6,209	6,059
Loss adjustment expenses	593	638
Commissions and collection expenses	51	46
Investment expenses	-	-
Operating expenses and general and administrative expenses	1,909	1,940
Other ordinary expenses	0	0
Ordinary profit	1,188	1,131
Extraordinary income	-	-
Extraordinary losses	1	2
Income before income taxes	1,187	1,128
Income taxes - current	12	4
Total income taxes	12	4
Net income	1,175	1,123

Non-Consolidated Solvency Margin Ratio

(Yen in millions)

	March 31, 2014	June 30, 2014
(A) Total amount of solvency margin	12,460	12,702
Total net assets	11,045	12,169
Reserve for price fluctuation	34	36
Contingency reserve	0	0
Catastrophe reserve	1,147	302
General bad debt reserve	1	1
Net unrealized gains/(losses) on investments in securities (prior to tax effect deductions)	231	192
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	5,922
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	746
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%	428.9%

(Note) The non-consolidated solvency margin ratio for June 30, 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	June 30, 2014
(Assets)		
Cash, deposits and savings	30,830	18,861
Call loans	458	199
Receivables under securities borrowing transactions	228,706	266,476
Investments in securities	2,285,544	2,341,687
Loans	49,470	49,364
Tangible fixed assets	1,882	1,695
Intangible fixed assets	4,039	15,288
Due from agencies	225	264
Reinsurance accounts receivable	694	8
Other assets	34,279	35,295
Bad debt reserve	(78)	(72)
Total assets	2,636,052	2,729,069
(Liabilities)		
Policy liabilities:	2,242,550	2,292,629
Outstanding claims	21,204	22,164
Underwriting reserves	2,214,832	2,263,465
Reserve for dividends to policyholders	6,514	6,999
Due to agencies	5,281	4,270
Reinsurance accounts payable	282	184
Other liabilities:	238,290	272,262
Payables under securities lending transactions	229,164	266,665
Income taxes payable	2,120	737
Lease obligations	751	699
Asset retirement obligations	364	366
Other liabilities	5,889	3,794
Reserve for pension and retirement benefits	1,609	1,688
Reserve for retirement benefits for officers	50	48
Reserves under the special laws:	3,912	4,044
Reserve for price fluctuation	3,912	4,044
Deferred tax liabilities	12,075	14,662
Total liabilities	2,504,052	2,589,790
(Net assets)		
Common stock	35,500	35,500
Capital surplus	43,688	43,688
Retained earnings	(8,908)	(7,459)
Total shareholders' equity	70,279	71,728
Net unrealized gains/(losses) on investments in securities	61,719	67,550
Total valuation and translation adjustments	61,719	67,550
Total net assets	131,999	139,279
Total liabilities and net assets	2,636,052	2,729,069

Non-Consolidated Statements of Income

(Yen in millions)

Items	Three months ended June 30, 2013	Three months ended June 30, 2014
Ordinary income:	106,879	113,784
Insurance premiums and others:	96,272	103,662
Insurance premiums	96,243	103,647
Investment income:	10,377	9,894
Interest and dividends income	9,002	9,596
Gains on sales of securities	1,374	291
Other ordinary income	229	228
Ordinary expenses:	101,717	109,589
Insurance claims and others:	39,641	39,266
Insurance claims	10,400	8,488
Annuity payments	2,023	2,562
Benefits	2,787	2,926
Surrender benefits	23,560	24,154
Other refunds	569	819
Provision for underwriting reserves and others:	43,288	49,593
Provision for outstanding claims	1,086	960
Provision for underwriting reserves	42,202	48,633
Provision for interest portion of reserve for dividends to policyholders	0	0
Investment expenses:	163	84
Interest expense	74	71
Losses on sales of securities	81	0
Losses on derivative transactions	-	3
Operating expenses	16,920	18,182
Other ordinary expenses	1,702	2,462
Ordinary profit	5,162	4,195
Extraordinary income	1	3
Extraordinary losses	124	145
Provision for reserve for dividends to policyholders	1,822	1,877
Income before income taxes	3,217	2,175
Income taxes	1,079	727
Net income	2,137	1,448

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

(1) Policies in force

(Yen in millions)

	March 31, 2014		June 30, 2014	
	Number of policies (in thousands)	Amount	Number of policies (in thousands)	Amount
Individual insurance	2,406	20,317,959	2,453	20,510,348
Individual annuities	187	787,086	187	785,516
Group insurance	–	5,124,978	–	5,221,070
Group annuities	–	399	–	396

(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)

	Three months ended June 30, 2013				Three months ended June 30, 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	53	599,337	599,337	–	83	598,375	598,375	–
Individual annuities	2	25,778	25,778	–	2	14,296	14,296	–
Group insurance	–	16,915	16,915	–	–	46,065	46,065	–
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	June 30, 2014
Individual insurance	289,311	293,288
Individual annuities	44,191	44,164
Total:	333,502	337,452
Medical coverage, living benefits, etc.	61,171	63,342

(2) New policies

(Yen in millions)

	Three months ended June 30, 2013	Three months ended June 30, 2014
Individual insurance	7,622	10,147
Individual annuities	1,303	779
Total:	8,925	10,927
Medical coverage, living benefits, etc.	1,711	3,434

(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)

	Three months ended June 30, 2013	Three months ended June 30, 2014	Change
Fundamental revenues:	105,506	113,489	7,982
Insurance premiums and others	96,272	103,662	7,390
Fundamental expenses	101,635	109,020	7,384
Fundamental profit	3,871	4,469	597
Capital gains/(losses)	1,292	286	(1,006)
Non-recurring gains/(losses)	(2)	(560)	(558)
Ordinary profit	5,162	4,195	(967)
Extraordinary income	1	3	1
Extraordinary losses	124	145	21
Provision for reserve for dividends to policyholders	1,822	1,877	54
Income taxes	1,079	727	(352)
Net income	2,137	1,448	(688)

Non-Consolidated Solvency Margin Ratio

(Yen in millions)

	March 31, 2014	June 30, 2014
(A) Total amount of solvency margin	276,449	288,347
Total capital	70,279	71,728
Reserve for price fluctuation	3,912	4,044
Contingency reserve	23,652	24,217
General bad debt reserve	12	11
Net unrealized gains/(losses) on investments in securities x 90%	80,190	87,766
Net unrealized gains/(losses) on land x 85%	-	-
Excess of continued Zillmerized reserve (a)	128,068	129,238
Subordinated debts, etc. (b)	-	-
Amount excluded from the margin, out of (a) and (b)	(29,945)	(28,953)
Brought in capital	-	-
Deductions	-	-
Others	277	295
(B) Total amount of risks $\sqrt{(R_1 + R_8)^2 + (R_2 + R_3 + R_7)^2} + R_4$	43,710	44,601
Insurance risk (R_1)	14,298	14,453
Insurance risk of third sector insurance contracts (R_8)	6,082	6,447
Assumed interest rate risk (R_2)	2,958	2,973
Minimum guarantee risk (R_7)	-	-
Asset management risk (R_3)	33,761	34,436
Business administration risk (R_4)	1,713	1,749
(C) Solvency margin ratio [(A) / {(B) x 1/2}] x 100	1,264.9%	1,292.9%

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

Non-Consolidated Balance Sheets

(Yen in millions)

Items	March 31, 2014	June 30, 2014
(Assets)		
Cash, deposits and savings	40,523	29,529
Call loans	7,191	21,357
Money trusts	680,806	682,487
Investments in securities	3,350,422	3,497,159
Loans	448	412
Tangible fixed assets	945	895
Intangible fixed assets	3,696	3,708
Reinsurance accounts receivable	269	201
Other assets	45,368	49,816
Deferred tax assets	34,002	33,924
Total assets	4,163,675	4,319,493
(Liabilities)		
Policy liabilities:	3,993,094	4,158,322
Outstanding claims	10,819	9,408
Underwriting reserves	3,982,275	4,148,913
Due to agencies	7,075	5,502
Reinsurance accounts payable	2,552	2,645
Other liabilities:	31,610	24,249
Income taxes payable	1,711	-
Lease obligations	688	652
Asset retirement obligations	125	125
Other liabilities	29,085	23,470
Reserves under the special laws:	40,136	40,515
Reserve for price fluctuation	40,136	40,515
Total liabilities	4,074,470	4,231,234
(Net assets)		
Common stock	41,060	41,060
Capital surplus	24,735	24,735
Retained earnings	22,669	21,547
Total shareholders' equity	88,464	87,342
Net unrealized gains/(losses) on investments in securities	741	916
Total valuation and translation adjustments	741	916
Total net assets	89,205	88,258
Total liabilities and net assets	4,163,675	4,319,493

Non-Consolidated Statements of Income

(Yen in millions)

Items	Three months ended June 30, 2013	Three months ended June 30, 2014
Ordinary income:	294,335	310,190
Insurance premiums and others:	122,878	227,277
Insurance premiums	121,816	226,773
Investment income:	102,439	80,854
Interest and dividends income	385	8,482
Investment gains on money trusts	-	14,771
Gains on sales of securities	0	0
Investment gains on separate accounts	102,053	55,505
Other ordinary income:	69,017	2,058
Reversal of outstanding claims	1,174	1,410
Reversal of underwriting reserves	67,243	-
Ordinary expenses:	284,580	309,247
Insurance claims and others:	236,130	124,799
Insurance claims	14,241	13,328
Annuity payments	11,639	13,746
Benefits	49,110	35,876
Surrender benefits	153,792	53,275
Other refunds	276	758
Provision for underwriting reserves and others:	-	166,638
Provision for underwriting reserves	-	166,638
Investment expenses:	38,232	175
Interest expense	0	0
Investment losses on money trusts	35,951	-
Losses on derivative transactions	-	136
Operating expenses	9,193	15,546
Other ordinary expenses	1,024	2,086
Ordinary profit	9,754	943
Extraordinary income	-	-
Extraordinary losses	228	380
Income before income taxes	9,525	563
Income taxes	3,225	(314)
Net income	6,299	877

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

(1) Policies in force

(Yen in millions)

	March 31, 2014		June 30, 2014	
	Number of policies (in thousands)	Amount	Number of policies (in thousands)	Amount
Individual insurance	175	1,073,428	208	1,254,964
Individual annuities	365	2,950,965	360	2,922,271
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)

	Three months ended June 30, 2013				Three months ended June 30, 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	14	80,225	80,225	-	33	181,024	181,024	-
Individual annuities	5	35,319	35,319	-	6	37,757	37,757	-
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	June 30, 2014
Individual insurance	70,148	81,651
Individual annuities	384,155	382,373
Total:	454,303	464,025
Medical coverage, living benefits, etc.	105	104

(2) New policies

(Yen in millions)

	Three months ended June 30, 2013	Three months ended June 30, 2014
Individual insurance	5,288	11,957
Individual annuities	28,519	33,217
Total:	33,808	45,174
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)

	Three months ended June 30, 2013	Three months ended June 30, 2014	Change
Fundamental revenues:	303,975	303,931	(43)
Insurance premiums and others	122,878	227,277	104,399
Fundamental expenses	287,152	305,114	17,962
Fundamental profit	16,822	(1,183)	(18,005)
Capital gains/(losses)	(6,479)	6,122	12,601
Non-recurring gains/(losses)	(588)	(3,995)	(3,407)
Ordinary profit	9,754	943	(8,811)
Extraordinary income	-	-	-
Extraordinary losses	228	380	151
Provision for reserve for dividends to policyholders	-	-	-
Income taxes	3,225	(314)	(3,539)
Net income	6,299	877	(5,422)

Non-Consolidated Solvency Margin Ratio

(Yen in millions)

	March 31, 2014	June 30, 2014
(A) Total amount of solvency margin	347,258	331,328
Total capital	86,464	87,342
Reserve for price fluctuation	40,136	40,515
Contingency reserve	64,460	68,456
General bad debt reserve	-	-
Net unrealized gains/(losses) on investments in securities x 90%	963	1,191
Net unrealized gains/(losses) on land x 85%	-	-
Excess of continued Zillmerized reserve (a)	146,219	124,419
Subordinated debts, etc. (b)	-	-
Amount excluded from the margin, out of (a) and (b)	-	-
Brought in capital	-	-
Deductions	-	-
Others	9,013	9,403
(B) Total amount of risks $\sqrt{(R_1 + R_8)^2 + (R_2 + R_3 + R_7)^2} + R_4$	69,128	73,818
Insurance risk (R_1)	62	59
Insurance risk of third sector insurance contracts (R_8)	13	12
Assumed interest rate risk (R_2)	26,207	29,771
Minimum guarantee risk (R_7)	11,581	10,229
Asset management risk (R_3)	29,982	32,368
Business administration risk (R_4)	1,356	1,448
(C) Solvency margin ratio [(A) / {(B) x 1/2}] x 100	1,004.6%	897.6%