

[Attachment]

# Explanatory Material for Business Results for the Six Months Ended September 30, 2016

November 18, 2016

MS&AD Insurance Group Holdings, Inc.

*This document has been translated from the Japanese original solely for reference purposes, and the Japanese original shall prevail if any discrepancy is identified.*

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# 1. Summary of Consolidated Business Results

## (1) Consolidated Business Performance

(Yen in 100 millions)

	Items	Six months ended September 30, 2015	Six months ended September 30, 2016	Change	Change ratio
<b>Ordinary income and expenses:</b>					
<b>Underwriting income:</b>	1	<b>23,233</b>	<b>25,799</b>	<b>2,565</b>	<b>11.0 %</b>
Net premiums written	2	16,200	18,393	2,193	13.5
Deposit premiums from policyholders	3	683	523	(160)	(23.4)
Life insurance premiums	4	6,085	6,610	525	8.6
<b>Underwriting expenses:</b>	5	<b>18,406</b>	<b>20,019</b>	<b>1,613</b>	<b>8.8</b>
Net claims paid	6	7,766	8,871	1,104	14.2
Loss adjustment expenses	7	794	830	36	4.6
Commissions and collection expenses	8	3,333	3,495	162	4.9
Maturity refunds to policyholders	9	1,428	1,175	(252)	(17.7)
Life insurance claims	10	2,041	1,608	(433)	(21.2)
Provision for outstanding claims	11	634	365	(268)	(42.3)
Provision for underwriting reserves	12	2,369	3,378	1,008	42.6
<b>Investment income:</b>	13	<b>1,744</b>	<b>1,787</b>	<b>43</b>	<b>2.5</b>
Interest and dividends income	14	1,317	1,312	(4)	(0.4)
Investment gains on money trusts	15	2	7	4	152.9
Gains on sales of securities	16	538	411	(127)	(23.7)
<b>Investment expenses:</b>	17	<b>2,505</b>	<b>2,856</b>	<b>351</b>	<b>14.0</b>
Investment losses on money trusts	18	445	517	71	16.1
Losses on sales of securities	19	52	45	(6)	(11.9)
Impairment losses on securities	20	85	26	(58)	(68.4)
Investment losses on separate accounts	21	955	626	(329)	(34.5)
<b>Operating expenses and general and administrative expenses</b>	22	<b>2,853</b>	<b>3,202</b>	<b>349</b>	<b>12.2</b>
<b>Other ordinary income and expenses:</b>	23	<b>12</b>	<b>2</b>	<b>(9)</b>	<b>(77.1)</b>
Gains/(losses) on equity method investments	24	16	3	(12)	(76.2)
<b>Ordinary profit</b>	25	<b>1,224</b>	<b>1,510</b>	<b>285</b>	<b>23.3</b>
<b>Extraordinary income and losses:</b>					
<b>Extraordinary income</b>	26	<b>2</b>	<b>122</b>	<b>120</b>	<b>4,341.0</b>
<b>Extraordinary losses</b>	27	<b>56</b>	<b>282</b>	<b>225</b>	<b>398.0</b>
<b>Extraordinary income/(losses)</b>	28	<b>(53)</b>	<b>(159)</b>	<b>(105)</b>	<b>-</b>
<b>Income before income taxes</b>	29	<b>1,170</b>	<b>1,350</b>	<b>179</b>	<b>15.4</b>
<b>Income taxes - current</b>	30	<b>233</b>	<b>366</b>	<b>133</b>	<b>57.1</b>
<b>Income taxes - deferred</b>	31	<b>69</b>	<b>(9)</b>	<b>(79)</b>	<b>(113.7)</b>
<b>Total income taxes</b>	32	<b>302</b>	<b>356</b>	<b>54</b>	<b>17.9</b>
<b>Net income</b>	33	<b>867</b>	<b>993</b>	<b>125</b>	<b>14.5</b>
<b>Net income attributable to non-controlling interests</b>	34	<b>7</b>	<b>9</b>	<b>2</b>	<b>27.2</b>
<b>Net income attributable to owners of the parent</b>	35	<b>860</b>	<b>984</b>	<b>123</b>	<b>14.4</b>

(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. Extraordinary losses for the six months ended September 30, 2016 include system-related costs that were recognized by the reorganization by function at domestic insurance subsidiaries under the umbrella of the Company in the amount of ¥21.4 billion.

<b>Incurred losses related to non-life insurance business</b>	36	<b>8,393</b>	<b>9,217</b>	<b>824</b>	<b>9.8</b>
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(Note) Incurred losses (excluding loss adjustment expenses) = net claims paid + movement in outstanding claims

**(2) Breakdown of Results by Company (Net Premiums Written, Ordinary Profit and Net Income Attributable to Owners of the Parent)**

(Yen in 100 millions)

	Items	Six months ended September 30, 2015	Six months ended September 30, 2016	Change	Change ratio
					%
Net premiums written <sup>(Note 1)</sup>	1	16,200	18,393	2,193	13.5
Mitsui Sumitomo Insurance <sup>(Note 1)</sup>	2	8,015	7,566	(449)	(5.6)
Aioi Nissay Dowa Insurance	3	6,135	6,094	(40)	(0.7)
Mitsui Direct General Insurance	4	181	186	4	2.4
Overseas insurance subsidiaries	5	1,833	4,514	2,680	146.2
Ordinary profit	6	1,224	1,510	285	23.3
Mitsui Sumitomo Insurance	7	572	933	361	63.2
Aioi Nissay Dowa Insurance	8	214	495	281	131.2
Net income/(loss) attributable to owners of the parent	9	860	984	123	14.4
Mitsui Sumitomo Insurance	10	448	693	244	54.6
Aioi Nissay Dowa Insurance	11	144	335	190	132.5
Mitsui Direct General Insurance	12	(12)	0	13	-
Mitsui Sumitomo Aioi Life Insurance	13	51	42	(8)	(16.1)
Mitsui Sumitomo Primary Life Insurance	14	211	117	(93)	(44.3)
Overseas insurance subsidiaries	15	143	130	(12)	(8.7)
Others	16	(3)	3	6	-
Consolidation adjustments and holding company	17	(122)	(340)	(217)	-

(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 after 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	Six months ended September 30, 2015	Six months ended September 30, 2016	Change	Change ratio
					%
Net premiums written	1	1,833	4,514	2,680	146.2
Asia	2	890	812	(78)	(8.8)
Europe	3	552	500	(52)	(9.4)
Americas	4	247	238	(8)	(3.5)
Reinsurance	5	143	130	(12)	(9.0)
MS Amlin	6	-	2,832	2,832	-
Net income/(loss) attributable to owners of the parent	7	143	130	(12)	(8.7)
Asia	8	95	83	(11)	(12.5)
Europe	9	(23)	(50)	(26)	-
Americas	10	13	10	(3)	(26.4)
Reinsurance	11	57	57	0	0.7
MS Amlin	12	-	29	29	-

**(4) Summary of Results of Domestic Life Insurance Business**

(Yen in 100 millions)

	Items	Six months ended September 30, 2015	Six months ended September 30, 2016	Change	Change ratio	Year ended March 31, 2016
Amount of new policies						
Mitsui Sumitomo Aioi Life Insurance	1	12,354	10,894	(1,459)	(11.8) %	24,233
Mitsui Sumitomo Primary Life Insurance	2	6,249	5,208	(1,040)	(16.7) %	12,626
Amount of policies in force						
Mitsui Sumitomo Aioi Life Insurance	3	222,630	228,073	2,313	1.0 %	225,760
Mitsui Sumitomo Primary Life Insurance	4	44,640	49,686	578	1.2 %	49,108
Annualized premiums for policies in force						
Mitsui Sumitomo Aioi Life Insurance	5	3,650	3,857	99	2.7 %	3,757
Mitsui Sumitomo Primary Life Insurance	6	4,581	4,789	(51)	(1.1) %	4,840

(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 six months ended September 30, 2015 for items 1 and 2 and the year ended March 31, 2016 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	Six months ended September 30, 2015	Six months ended September 30, 2016	Change	Change ratio
					%
(+) Net premiums written	1	8,015	7,566	(449)	(5.6)
(-) Net claims paid	2	3,801	3,863	61	1.6
(-) Loss adjustment expenses	3	424	435	11	2.7
(-) Commissions and collection expenses	4	1,412	1,286	(126)	(8.9)
(-) Operating expenses and general and administrative expenses for underwriting	5	974	981	6	0.6
Underwriting profit/(loss) before movements in reserves	6	1,402	999	(403)	(28.7)
(-) Movement in outstanding claims	7	295	154	(141)	(47.8)
(-) Movement in ordinary underwriting reserves	8	798	126	(672)	(84.2)
(-) Movement in catastrophe reserve	9	349	301	(48)	(13.8)
(+) Other	10	15	0	(14)	(93.6)
Underwriting profit/(loss)	11	(25)	419	444	-
(+) Interest and dividends income	12	538	536	(2)	(0.5)
(-) Transfer of investment income on deposit premiums from policyholders	13	183	185	2	1.2
Net interest and dividends income (item 12 - item 13)	14	355	350	(4)	(1.4)
(+) Gains/(losses) on sales of securities	15	353	296	(56)	(16.1)
(-) Impairment losses on securities	16	34	1	(32)	(96.8)
(+) Other	17	(55)	(117)	(62)	-
Investment profit/(loss)	18	619	528	(91)	(14.7)
(+) Other ordinary profit/(loss)	19	(22)	(14)	8	-
Ordinary profit	20	572	933	361	63.2
(+) Extraordinary income/(losses):	21	(18)	(26)	(8)	-
Gains/(losses) on reserve for price fluctuation	22	(16)	(17)	(1)	-
Income before income taxes	23	553	906	353	63.8
(-) Income taxes	24	105	213	108	103.0
Net income	25	448	693	244	54.6

Ratios	Net loss ratio	26	52.7 %	56.8 %	4.1 %	
	Net expense ratio	27	29.8 %	30.0 %	0.2 %	
	Combined ratio	28	82.5 %	86.8 %	4.3 %	

Incurred losses (item 2 + item 7)	29	4,097	4,017	(79)	(1.9)
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- (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	7,055	6,635	(419)	(6.0)
Ratios	Net loss ratio	31	49.4 %	52.5 %	3.1 %	
	Net expense ratio	32	31.6 %	31.8 %	0.2 %	
	Combined ratio	33	81.0 %	84.3 %	3.3 %	

\* 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)			
	Six months ended September 30, 2015		Six months ended September 30, 2016		Six months ended September 30, 2015		Six months ended September 30, 2016	
	Amount	Change ratio %	Amount	Change ratio %	Amount	Change ratio %	Amount	Change ratio %
Fire and allied	1,518	41.9	942	(37.9)	1,895	36.2	1,304	(31.2)
Marine	354	11.2	312	(11.9)	502	17.8	430	(14.4)
Personal accident	742	(5.2)	752	1.4	780	(4.9)	804	3.1
Voluntary automobile	3,256	3.7	3,309	1.6	3,266	3.9	3,324	1.8
CALI	956	5.5	926	(3.2)	882	5.4	865	(1.9)
Other	1,187	10.7	1,322	11.4	1,344	12.4	1,504	11.9
Total	8,015	9.9	7,566	(5.6)	8,671	10.9	8,234	(5.0)

## (3) Net claims paid

(Yen in 100 millions)

	Six months ended September 30, 2015			Six months ended September 30, 2016			
	Amount	Change ratio %	Net loss ratio %	Amount	Change ratio %	Net loss ratio %	Change %
Fire and allied	581	(29.5)	39.7	612	5.4	67.1	27.4
Marine	166	12.0	49.6	161	(3.0)	54.6	5.0
Personal accident	371	(5.6)	54.5	354	(4.6)	51.6	(2.9)
Voluntary automobile	1,557	(3.1)	56.1	1,538	(1.2)	54.8	(1.3)
CALI	676	0.4	77.6	685	1.2	81.3	3.7
Other	448	8.9	40.0	511	14.1	40.9	0.9
Total	3,801	(6.3)	52.7	3,863	1.6	56.8	4.1

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

## (Reference) Incurred losses caused by natural disasters in Japan

(Yen in 100 millions)

	Six months ended September 30, 2015			Six months ended September 30, 2016		
	Incurred losses	Net claims paid	Outstanding claims	Incurred losses	Net claims paid	Outstanding claims
Fire and allied	312	46	266	272	59	212
Voluntary automobile	23	10	12	11	7	3
Other	16	1	15	15	1	13
Total	351	57	294	300	69	230

(Note) The above table describes losses caused by natural disasters in Japan, which exclude residential earthquake insurance, incurred during the respective period.

The figures for the six months ended September 30, 2016 include incurred losses related to the Kumamoto earthquakes as follows:

Incurred losses ¥9.6 billion, Net claims paid ¥1.7 billion, Outstanding claims ¥7.9 billion.

## (4) Expenses

&lt;Company expenses&gt;

(Yen in 100 millions)

	Items	Six months ended September 30, 2015			Six months ended September 30, 2016		
		Amount	Change	Change ratio %	Amount	Change	Change ratio %
Personnel expenses	1	840	(3)	(0.4)	855	14	1.7
Non-personnel expenses	2	544	(31)	(5.5)	550	6	1.1
Taxes and contributions	3	66	3	5.7	64	(1)	(2.9)
Total	4	1,451	(31)	(2.1)	1,469	18	1.3

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

&lt;Expenses for underwriting&gt;

(Yen in 100 millions)

	Items	Six months ended September 30, 2015			Six months ended September 30, 2016		
		Amount	Change	Change ratio %	Amount	Change	Change ratio %
Operating expenses and general and administrative expenses	5	974	(40)	(4.0)	981	6	0.6
Commissions and collection expenses	6	1,412	131	10.3	1,286	(126)	(8.9)
Total	7	2,386	91	4.0	2,267	(119)	(5.0)
Net expense ratio	8	29.8 %	(1.7) %		30.0 %	0.2 %	

**(5) Outstanding claims**

(Yen in 100 millions)

	September 30, 2015		September 30, 2016	
	Balance	Movement	Balance	Movement
Fire and allied	1,041	95	1,053	139
Marine	389	60	360	(3)
Personal accident	523	(15)	487	(15)
Voluntary automobile	2,762	102	2,728	57
CALI	531	(2)	517	(18)
Other	1,456	54	1,503	(5)
Total	6,704	295	6,651	154

**(6) Incurred losses and earned-incurred loss ratio**

(Yen in 100 millions)

	Six months ended September 30, 2015		Six months ended September 30, 2016			
	Incurred losses	Earned-incurred loss ratio	Incurred losses	Change	Earned-incurred loss ratio	Change
		%			%	%
Fire and allied	697	66.3	713	15	66.2	(0.1)
Marine	236	69.2	166	(70)	53.5	(15.7)
Personal accident	389	55.5	372	(16)	54.9	(0.6)
Voluntary automobile	1,928	60.1	1,871	(56)	57.1	(3.0)
Other	529	52.4	534	5	45.6	(6.8)
Total	3,781	59.9	3,659	(122)	56.2	(3.7)

(Note) Earned-incurred loss ratio is calculated by the following method:

The calculation is exclusive of residential earthquake insurance and CALI.

Incurred losses = net claims paid + loss adjustment expenses + movement in outstanding claims

Earned premiums are calculated based on unearned premiums (excluding underwriting reserves for natural disasters), premium reserve, etc.

Earned-incurred loss ratio = incurred losses / earned premiums x 100

**(7) Underwriting reserves**

(Yen in 100 millions)

		September 30, 2016				
		Total underwriting reserves	Ordinary underwriting reserves	Reserve for refunds and dividends to policyholders	Catastrophe reserve	Contingency reserve
Fire and allied	Balance	9,510	6,381	1,639	1,487	1
	Movement	(194)	(207)	(73)	85	0
Marine	Balance	1,046	278	-	768	-
	Movement	5	(8)	-	14	-
Personal accident	Balance	12,971	1,205	11,107	655	3
	Movement	(149)	72	(246)	23	0
Voluntary automobile	Balance	2,588	2,021	80	486	0
	Movement	142	33	2	106	0
CALI	Balance	2,359	2,359	-	-	-
	Movement	61	61	-	-	-
Other	Balance	5,080	2,754	596	1,728	0
	Movement	243	174	(2)	71	0
Total	Balance	33,557	14,999	13,425	5,126	5
	Movement	108	126	(319)	301	0

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



**(8) Catastrophe reserve**

(Yen in 100 millions)

	March 31, 2016		September 30, 2016			
	Balance	Reserve ratio	Reversal	Provision	Balance	Reserve ratio
		%				%
Fire and allied	1,402	58.0	-	85	1,487	79.3
Marine	753	112.6	-	14	768	122.8
Personal accident	631	44.8	-	23	655	43.5
Voluntary automobile	380	5.9	-	106	486	7.3
Other	1,656	73.7	1	73	1,728	65.4
Total	4,825	36.6	1	302	5,126	38.6

(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  
Reserve ratio for September 30, 2016 is calculated on an annualized basis using net premiums written multiplied by two as a denominator.

**(9) Investment assets**

(Yen in 100 millions)

	March 31, 2016	September 30, 2016	
			Change
Cash, deposits and savings	5,127	4,660	(467)
Investments in securities:	51,737	50,450	(1,287)
Domestic bonds	18,653	18,574	(78)
Domestic stocks	17,565	16,518	(1,047)
Foreign securities	15,259	15,037	(221)
Other securities	258	319	61
Loans	4,486	4,178	(308)
Land and buildings	2,049	2,018	(31)
Total	63,401	61,307	(2,094)

(Reference)

Long-term investment assets	13,645	13,323	(322)
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**(Reference) Breakdown of domestic bonds**

(Yen in 100 millions)

	March 31, 2016	September 30, 2016	
			Change
Government bonds	12,788	12,815	27
Municipal bonds	919	916	(2)
Corporate bonds:	4,945	4,842	(103)
Government agency bonds	1,199	1,107	(92)
Specific financial institution bonds	32	32	0
Other corporate bonds	3,714	3,702	(11)
Total	18,653	18,574	(78)

**(10) Breakdown of interest and dividends income**

(Yen in 100 millions)

	Six months ended September 30, 2015	Six months ended September 30, 2016	
			Change
Investments in securities:	465	471	6
Domestic bonds	106	98	(8)
Domestic stocks	249	239	(10)
Foreign securities	91	122	30
Other securities	17	12	(5)
Loans	32	26	(5)
Land and buildings	30	31	1
Other	10	6	(4)
Total	538	536	(2)

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

(Yen in 100 millions)

September 30, 2016	Cost	Fair value	Difference	Change from March 31, 2016
Domestic bonds	16,627	18,574	1,947	36
Domestic stocks	6,590	16,165	9,574	(828)
Foreign securities	4,013	3,938	(74)	(241)
Other securities	323	360	37	(6)
Total	27,554	39,039	11,484	(1,040)

(Yen in 100 millions)

March 31, 2016	Cost	Fair value	Difference
Domestic bonds	16,743	18,653	1,910
Domestic stocks	6,784	17,187	10,403
Foreign securities	4,008	4,175	166
Other securities	362	406	44
Total	27,898	40,423	12,524

(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)

	Six months ended September 30, 2015 Gains/(losses)	Six months ended September 30, 2016 Gains/(losses)	Gains	Losses
Domestic bonds	10	2	2	0
Domestic stocks	331	290	291	0
Foreign securities	10	3	10	7
Other securities	-	-	-	-
Total	353	296	303	7

**Impairment losses on securities**

(Yen in 100 millions)

	Six months ended September 30, 2015	Six months ended September 30, 2016	Change
Domestic bonds	-	-	-
Domestic stocks	34	0	(33)
Foreign securities	-	0	0
Other securities	-	-	-
Total	34	1	(32)

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

#### (1) Business Performance

(Yen in 100 millions)

	Items	Six months ended September 30, 2015	Six months ended September 30, 2016	Change	Change ratio %
(+) Net premiums written	1	6,135	6,094	(40)	(0.7)
(-) Net claims paid	2	3,090	3,156	66	2.1
(-) Loss adjustment expenses	3	303	295	(7)	(2.5)
(-) Commissions and collection expenses	4	1,145	1,136	(8)	(0.8)
(-) Operating expenses and general and administrative expenses for underwriting	5	923	871	(51)	(5.5)
Underwriting profit/(loss) before movements in reserves	6	672	633	(39)	(5.9)
(-) Movement in outstanding claims	7	214	15	(199)	(92.7)
(-) Movement in ordinary underwriting reserves	8	235	76	(159)	(67.7)
(-) Movement in catastrophe reserve	9	219	216	(3)	(1.5)
(+) Other	10	19	(57)	(76)	(387.3)
Underwriting profit	11	22	268	245	1,090.9
(+) Interest and dividends income	12	300	269	(30)	(10.1)
(-) Transfer of investment income on deposit premiums from policyholders	13	92	93	1	1.8
Net interest and dividends income (item 12 - item 13)	14	207	175	(32)	(15.5)
(+) Gains/(losses) on sales of securities	15	17	74	56	328.6
(-) Impairment losses on securities	16	10	7	(2)	(23.1)
(+) Other	17	(28)	(45)	(16)	-
Investment profit/(loss)	18	186	196	10	5.6
(+) Other ordinary profit/(loss)	19	5	30	25	456.7
Ordinary profit	20	214	495	281	131.2
(+) Extraordinary income/(losses):	21	(33)	(62)	(29)	-
Gains/(losses) on reserve for price fluctuation	22	(8)	(8)	0	-
Income before income taxes	23	180	432	251	139.5
(-) Income taxes	24	36	97	60	166.9
Net income	25	144	335	190	132.5

Ratios	Net loss ratio	26	55.3 %	56.7 %	1.4 %	
	Net expense ratio	27	33.7 %	33.0 %	(0.7) %	
	Combined ratio	28	89.0 %	89.7 %	0.7 %	

Incurred losses (item 2 + item 7)	29	3,305	3,172	(133)	(4.0)
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- (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	5,253	5,252	(1)	(0.0)
Ratios	Net loss ratio	31	51.8 %	52.3 %	0.5 %	
	Net expense ratio	32	35.8 %	34.6 %	(1.2) %	
	Combined ratio	33	87.6 %	86.9 %	(0.7) %	

## (2) Premiums written

(Yen in 100 millions)

	Net premiums written				Direct premiums written (excluding deposit premiums from policyholders)			
	Six months ended September 30, 2015		Six months ended September 30, 2016		Six months ended September 30, 2015		Six months ended September 30, 2016	
	Amount	Change ratio %	Amount	Change ratio %	Amount	Change ratio %	Amount	Change ratio %
Fire and allied	892	34.8	750	(15.9)	1,307	31.2	917	(29.9)
Marine	29	(42.1)	28	(2.5)	(0)	(100.5)	0	-
Personal accident	340	(7.4)	326	(4.3)	355	(7.0)	344	(3.1)
Voluntary automobile	3,396	1.8	3,456	1.8	3,319	2.5	3,342	0.7
CALI	878	3.6	839	(4.5)	944	5.5	919	(2.7)
Other	597	4.8	693	16.1	677	3.4	732	8.1
Total	6,135	5.1	6,094	(0.7)	6,605	6.4	6,256	(5.3)

## (3) Net claims paid

(Yen in 100 millions)

	Six months ended September 30, 2015			Six months ended September 30, 2016			
	Amount	Change ratio %	Net loss ratio %	Amount	Change ratio %	Net loss ratio %	Change %
Fire and allied	346	(35.0)	41.4	398	15.2	55.1	13.7
Marine	14	(42.3)	48.4	14	6.1	52.0	3.6
Personal accident	152	(6.0)	48.5	137	(10.2)	46.2	(2.3)
Voluntary automobile	1,697	(6.6)	55.7	1,658	(2.3)	53.7	(2.0)
CALI	614	(1.3)	76.3	609	(0.8)	78.8	2.5
Other	266	(1.5)	47.4	338	27.1	51.2	3.8
Total	3,090	(9.8)	55.3	3,156	2.1	56.7	1.4

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

## (Reference) Incurred losses caused by natural disasters in Japan

(Yen in 100 millions)

	Six months ended September 30, 2015			Six months ended September 30, 2016		
	Incurred losses	Net claims paid	Outstanding claims	Incurred losses	Net claims paid	Outstanding claims
Fire and allied	246	35	210	139	38	100
Voluntary automobile	26	14	12	11	8	3
Other	9	0	9	6	1	5
Total	282	49	232	157	48	109

(Note) The above table describes losses caused by natural disasters in Japan, which exclude residential earthquake insurance, incurred during the respective period.

The figures for the six months ended September 30, 2016 include incurred losses related to the Kumamoto earthquakes as follows:

Incurred losses ¥3.6 billion, Net claims paid ¥0.5 billion, Outstanding claims ¥3.1 billion.

## (4) Expenses

&lt;Company expenses&gt;

(Yen in 100 millions)

	Items	Six months ended September 30, 2015			Six months ended September 30, 2016		
		Amount	Change	Change ratio %	Amount	Change	Change ratio %
Personnel expenses	1	633	48	8.2	618	(14)	(2.3)
Non-personnel expenses	2	574	(44)	(7.2)	535	(39)	(6.9)
Taxes and contributions	3	56	(0)	(0.2)	55	(0)	(1.1)
Total	4	1,264	3	0.3	1,209	(54)	(4.3)

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

&lt;Expenses for underwriting&gt;

(Yen in 100 millions)

	Items	Six months ended September 30, 2015			Six months ended September 30, 2016		
		Amount	Change	Change ratio %	Amount	Change	Change ratio %
Operating expenses and general and administrative expenses	5	923	(31)	(3.3)	871	(51)	(5.5)
Commissions and collection expenses	6	1,145	61	5.7	1,136	(8)	(0.8)
Total	7	2,068	30	1.5	2,008	(59)	(2.9)
Net expense ratio	8	33.7 %	(1.2) %		33.0 %	(0.7) %	

**(5) Outstanding claims**

(Yen in 100 millions)

	September 30, 2015		September 30, 2016	
	Balance		Balance	
		Movement		Movement
Fire and allied	648	179	552	61
Marine	38	(0)	37	(4)
Personal accident	251	(7)	220	(6)
Voluntary automobile	2,983	5	2,948	21
CALI	484	(5)	462	(20)
Other	919	44	909	(36)
Total	5,326	214	5,131	15

**(6) Incurred losses and earned-incurred loss ratio**

(Yen in 100 millions)

	Six months ended September 30, 2015		Six months ended September 30, 2016			
	Incurred losses	Earned-incurred loss ratio	Incurred losses	Change	Earned-incurred loss ratio	Change
		%			%	%
Fire and allied	549	70.8	431	(118)	53.4	(17.4)
Marine	13	53.1	10	(2)	36.0	(17.1)
Personal accident	157	47.4	143	(13)	47.7	0.3
Voluntary automobile	1,896	56.2	1,878	(17)	55.4	(0.8)
Other	327	60.4	319	(8)	50.3	(10.1)
Total	2,944	58.3	2,784	(160)	53.9	(4.4)

(Note) Earned-incurred loss ratio is calculated by the following method:

The calculation is exclusive of residential earthquake insurance and CALI.

Incurred losses = net claims paid + loss adjustment expenses + movement in outstanding claims

Earned premiums are calculated based on unearned premiums, premium reserve, etc.

Earned-incurred loss ratio = incurred losses / earned premiums x 100

**(7) Underwriting reserves**

(Yen in 100 millions)

		September 30, 2016				
		Total underwriting reserves	Ordinary underwriting reserves	Reserve for refunds and dividends to policyholders	Catastrophe reserve	Contingency reserve
Fire and allied	Balance	6,989	5,038	765	1,182	3
	Movement	(81)	(100)	(42)	61	0
Marine	Balance	165	27	-	138	-
	Movement	1	1	-	0	-
Personal accident	Balance	5,139	716	3,776	642	3
	Movement	(55)	24	(90)	10	0
Voluntary automobile	Balance	2,392	1,957	25	409	0
	Movement	177	65	1	110	0
CALI	Balance	2,306	2,306	-	-	-
	Movement	17	17	-	-	-
Other	Balance	2,098	1,310	161	625	0
	Movement	100	67	(0)	33	(0)
Total	Balance	19,093	11,357	4,728	2,998	7
	Movement	160	76	(132)	216	-

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

**(8) Catastrophe reserve**

(Yen in 100 millions)

	March 31, 2016		September 30, 2016			
	Balance	Reserve ratio	Reversal	Provision	Balance	Reserve ratio
		%				%
Fire and allied	1,121	67.1	-	61	1,182	79.1
Marine	138	240.1	-	0	138	240.4
Personal accident	631	99.4	-	10	642	98.4
Voluntary automobile	299	4.5	-	110	409	5.9
Other	591	52.6	0	33	625	45.1
Total	2,782	27.3	0	216	2,998	28.5

(Note) Reserve ratio = catastrophe reserve / net premiums written (excluding premiums of residential earthquake insurance and CALI) x 100  
Reserve ratio for September 30, 2016 is calculated on an annualized basis using net premiums written multiplied by two as a denominator.

**(9) Investment assets**

(Yen in 100 millions)

	March 31, 2016	September 30, 2016	
			Change
Cash, deposits and savings	1,495	1,900	404
Investments in securities:	24,975	24,515	(460)
Domestic bonds	9,855	9,929	74
Domestic stocks	7,927	7,446	(480)
Foreign securities	6,757	6,734	(23)
Other securities	435	404	(31)
Loans	2,218	2,151	(66)
Land and buildings	1,709	1,655	(54)
Total	30,398	30,222	(176)

(Reference)

Long-term investment assets	4,837	4,703	(134)
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**(Reference) Breakdown of domestic bonds**

(Yen in 100 millions)

	March 31, 2016	September 30, 2016	
			Change
Government bonds	6,936	6,978	42
Municipal bonds	224	217	(6)
Corporate bonds:	2,693	2,733	39
Government agency bonds	398	366	(32)
Specific financial institution bonds	249	162	(86)
Other corporate bonds	2,045	2,204	158
Total	9,855	9,929	74

**(10) Breakdown of interest and dividends income**

(Yen in 100 millions)

	Six months ended September 30, 2015	Six months ended September 30, 2016	
			Change
Investments in securities:	256	231	(24)
Domestic bonds	49	49	(0)
Domestic stocks	97	97	0
Foreign securities	88	68	(19)
Other securities	21	15	(5)
Loans	15	13	(1)
Land and buildings	21	22	0
Other	6	1	(4)
Total	300	269	(30)

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

(Yen in 100 millions)

September 30, 2016	Cost	Fair value	Difference	Change from March 31, 2016
Domestic bonds	9,088	9,929	841	2
Domestic stocks	4,266	7,186	2,920	(327)
Foreign securities	5,406	5,814	408	(189)
Other securities	327	360	33	(18)
Total	19,088	23,291	4,203	(533)

(Yen in 100 millions)

March 31, 2016	Cost	Fair value	Difference
Domestic bonds	9,016	9,855	838
Domestic stocks	4,415	7,663	3,248
Foreign securities	5,244	5,842	597
Other securities	346	398	52
Total	19,022	23,759	4,736

(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)

	Six months ended September 30, 2015 Gains/(losses)	Six months ended September 30, 2016 Gains/(losses)	Gains	Losses
Domestic bonds	0	5	5	0
Domestic stocks	81	91	94	2
Foreign securities	(64)	(22)	1	24
Other securities	-	-	-	-
Total	17	74	100	26

**Impairment losses on securities**

(Yen in 100 millions)

	Six months ended September 30, 2015	Six months ended September 30, 2016	Change
Domestic bonds	-	-	-
Domestic stocks	10	7	(2)
Foreign securities	-	-	-
Other securities	-	-	-
Total	10	7	(2)

## 4. Earnings Forecasts

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

(Yen in 100 millions)

	Items	Forecasts for year ending March 31, 2017	Change from previous year
Net premiums written <sup>(Note)</sup> :	1	33,870	10.0 %
Net premiums written at overseas non-life insurance subsidiaries	2	6,700	98.9 %
Ordinary profit	3	2,850	(65)
Net income attributable to owners of the parent	4	1,830	14
Annual total of dividends per share	5	100.00 yen	10.00 yen

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

(Yen in 100 millions)

	Items	Forecasts for year ending March 31, 2017	Change from previous year
Net premiums written <sup>(Note)</sup>	6	14,770	(2.0) %
Ordinary profit	7	1,830	151
Net income	8	1,380	240

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

(Yen in 100 millions)

	Items	Forecasts for year ending March 31, 2017	Change from previous year
Net premiums written	9	11,960	0.3 %
Ordinary profit	10	680	62
Net income	11	440	129

(Note) The figures in the above tables 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.



(Breakdown of earnings forecasts)

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

(Yen in 100 millions)

	Results for year ended March 31, 2016	Forecasts for year ending March 31, 2017
Direct premiums written (excluding deposit premiums from policyholders)	16,367	16,120
Change ratio	4.6 %	(1.5) %
Net premiums written	15,074	14,770
Change ratio	4.3 %	(2.0) %
Net loss ratio	58.9 %	62.1 %
Net expense ratio	31.0 %	31.3 %
Combined ratio	89.9 %	93.4 %
Underwriting profit	191	690
Net interest and dividends income	794	760
Ordinary profit	1,678	1,830
Net income	1,139	1,380

(Reference) Excluding residential earthquake insurance and CALI

	Results for year ended March 31, 2016	Forecasts for year ending March 31, 2017
Change ratio of net premiums written	4.4 %	(2.2) %
Net loss ratio	56.0 %	58.9 %
Net expense ratio	33.1 %	33.4 %
Combined ratio	89.1 %	92.3 %

Forecasts by line of insurance for the year ending March 31, 2017

(Yen in 100 millions)

	Net premiums written		Net loss ratio		Change
		Change ratio			
Fire and allied	1,864	(23.1) %	74.2 %		19.0 %
Marine	582	(13.1) %	59.5 %		5.6 %
Personal accident	1,424	1.0 %	54.7 %		(3.0) %
Voluntary automobile	6,565	1.7 %	58.1 %		(1.1) %
CALI	1,858	(0.4) %	81.3 %		1.5 %
Other	2,477	10.2 %	53.8 %		6.6 %
Total	14,770	(2.0) %	62.1 %		3.2 %

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

(Yen in 100 millions)

	Results for year ended March 31, 2016	Forecasts for year ending March 31, 2017
Direct premiums written (excluding deposit premiums from policyholders)	12,700	12,416
Change ratio	2.1 %	(2.2) %
Net premiums written	11,920	11,960
Change ratio	2.7 %	0.3 %
Net loss ratio	59.2 %	60.5 %
Net expense ratio	34.3 %	33.8 %
Combined ratio	93.5 %	94.3 %
Underwriting profit	248	390
Net interest and dividends income	395	320
Ordinary profit	617	680
Net income	310	440

(Reference) Excluding residential earthquake insurance and CALI

	Results for year ended March 31, 2016	Forecasts for year ending March 31, 2017
Change ratio of net premiums written	2.9 %	0.6 %
Net loss ratio	56.1 %	57.0 %
Net expense ratio	36.5 %	35.7 %
Combined ratio	92.6 %	92.7 %

Forecasts by line of insurance for the year ending March 31, 2017

(Yen in 100 millions)

	Net premiums written		Net loss ratio		Change
		Change ratio			
Fire and allied	1,466	(12.6) %	63.6 %		11.7 %
Marine	54	(6.4) %	55.6 %		12.2 %
Personal accident	603	(5.1) %	48.9 %		(3.1) %
Voluntary automobile	6,816	1.4 %	56.9 %		(1.2) %
CALI	1,689	(1.0) %	79.3 %		1.2 %
Other	1,332	18.3 %	57.1 %		4.1 %
Total	11,960	0.3 %	60.5 %		1.3 %

## [Supplementary Information]

### 1. Supplementary Information on Consolidated Business Results

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

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

(Yen in millions)

Lines of Insurance	Six months ended September 30, 2015			Six months ended September 30, 2016		
	Amount	Share (%)	Change ratio (%)	Amount	Share (%)	Change ratio (%)
Fire and allied	388,457	21.1	28.5	304,450	16.0	(21.6)
Marine	74,491	4.1	11.4	112,279	5.9	50.7
Personal accident	171,314	9.3	(5.7)	174,087	9.2	1.6
Voluntary automobile	744,816	40.5	4.6	784,840	41.4	5.4
CALI	182,763	9.9	5.4	178,518	9.4	(2.3)
Other	278,110	15.1	10.7	343,109	18.1	23.4
<b>Total:</b>	<b>1,839,954</b>	<b>100.0</b>	<b>9.0</b>	<b>1,897,287</b>	<b>100.0</b>	<b>3.1</b>
Deposit premiums from policyholders	68,333	3.7	(7.5)	52,322	2.8	(23.4)

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

Voluntary Automobile	744,770		4.4	784,665		5.4
<b>Total</b>	<b>1,839,908</b>		<b>9.0</b>	<b>1,897,112</b>		<b>3.1</b>

##### Net Premiums Written by Line of Insurance

(Yen in millions)

Lines of Insurance	Six months ended September 30, 2015			Six months ended September 30, 2016		
	Amount	Share (%)	Change ratio (%)	Amount	Share (%)	Change ratio (%)
Fire and allied	278,385	17.2	34.8	300,689	16.4	8.0
Marine	58,372	3.6	8.3	99,135	5.4	69.8
Personal accident	115,956	7.2	(4.3)	125,005	6.8	7.8
Voluntary automobile	755,827	46.6	4.9	811,756	44.1	7.4
CALI	183,750	11.3	4.6	176,803	9.6	(3.8)
Other	227,763	14.1	9.6	326,157	17.7	43.2
<b>Total</b>	<b>1,620,056</b>	<b>100.0</b>	<b>9.1</b>	<b>1,839,546</b>	<b>100.0</b>	<b>13.5</b>

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

Voluntary automobile	755,782		4.8	811,581		7.4
<b>Total</b>	<b>1,620,011</b>		<b>9.0</b>	<b>1,839,371</b>		<b>13.5</b>

##### Net Claims Paid by Line of Insurance

(Yen in millions)

Lines of Insurance	Six months ended September 30, 2015			Six months ended September 30, 2016		
	Amount	Share (%)	Change ratio (%)	Amount	Share (%)	Change ratio (%)
Fire and allied	104,832	13.5	(28.7)	146,051	16.5	39.3
Marine	23,123	3.0	(1.3)	43,845	4.9	89.6
Personal accident	54,483	7.0	(5.1)	54,384	6.1	(0.2)
Voluntary automobile	372,687	48.0	(2.9)	386,314	43.6	3.7
CALI	129,391	16.6	(0.5)	129,684	14.6	0.2
Other	92,159	11.9	7.4	126,893	14.3	37.7
<b>Total</b>	<b>776,677</b>	<b>100.0</b>	<b>(6.1)</b>	<b>887,173</b>	<b>100.0</b>	<b>14.2</b>

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

## (2) Available-for-Sale Securities

(Yen in millions)

Items		March 31, 2016			September 30, 2016		
		Carrying amount	Cost	Difference	Carrying amount	Cost	Difference
Securities whose carrying amount exceeds the cost	Domestic Bonds	4,350,184	3,935,096	415,088	4,293,924	3,873,938	419,985
	Domestic Stocks	2,342,292	1,034,275	1,308,016	2,197,008	999,649	1,197,358
	Foreign Securities	1,443,361	1,309,574	133,786	1,400,089	1,293,699	106,389
	Other Securities	75,444	66,303	9,140	69,324	62,312	7,011
	Sub Total	8,211,282	6,345,250	1,866,032	7,960,345	6,229,600	1,730,744
Securities whose carrying amount does not exceed the cost	Domestic Bonds	63,593	63,870	(277)	100,770	102,032	(1,261)
	Domestic Stocks	143,756	159,324	(15,568)	138,907	156,028	(17,120)
	Foreign Securities	587,526	599,139	(11,613)	540,620	566,697	(26,077)
	Other Securities	108,839	109,002	(162)	72,994	73,150	(155)
	Sub Total	903,715	931,336	(27,621)	853,293	897,908	(44,615)
Total		9,114,998	7,276,587	1,838,410	8,813,638	7,127,509	1,686,129

March 31, 2016	September 30, 2016
<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 ¥17,440 million on Available-for-sale securities with practically determinable fair value (comprised of ¥16,088 million on Domestic stocks and ¥1,351 million on Foreign securities) and ¥506 million on Available-for-sale securities without practically determinable fair value (comprised of ¥371 million on Domestic stocks, ¥133 million on Foreign securities and ¥1 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>	<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 ¥2,628 million on Available-for-sale securities with practically determinable fair value (comprised of ¥2,299 million on Domestic stocks and ¥329 million on Foreign securities) and ¥59 million on Available-for-sale securities without practically determinable fair value (comprised of ¥17 million on Domestic stocks and ¥42 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

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

#### Non-Consolidated Balance Sheets

(Yen in millions)

Items	March 31, 2016	September 30, 2016
<b>(Assets)</b>		
Cash, deposits and savings	442,553	417,752
Receivables under resale agreements	29,999	14,999
Monetary claims bought	28,785	22,269
Money trusts	11,564	11,093
Investments in securities	5,173,738	5,045,021
Loans	448,667	417,841
Tangible fixed assets	215,984	212,052
Intangible fixed assets	43,039	40,921
Other assets	349,567	352,395
Customers' liabilities under acceptances and guarantees	45,803	41,406
Bad debt reserve	(3,115)	(2,725)
<b>Total assets</b>	<b>6,786,590</b>	<b>6,573,027</b>
<b>(Liabilities)</b>		
<b>Policy liabilities:</b>	<b>3,994,619</b>	<b>4,020,850</b>
Outstanding claims	649,729	665,135
Underwriting reserves	3,344,890	3,355,715
<b>Bonds issued</b>	<b>256,191</b>	<b>256,191</b>
<b>Other liabilities:</b>	<b>610,785</b>	<b>460,322</b>
Income taxes payable	31,780	24,785
Lease obligations	903	846
Asset retirement obligations	3,765	3,804
Other liabilities	574,337	430,885
<b>Reserve for pension and retirement benefits</b>	<b>135,688</b>	<b>138,230</b>
<b>Reserve for retirement benefits for officers</b>	<b>761</b>	<b>682</b>
<b>Accrued bonuses for employees</b>	<b>11,716</b>	<b>8,533</b>
<b>Reserve for reorganization by function</b>	<b>-</b>	<b>245</b>
<b>Reserves under the special laws:</b>	<b>64,133</b>	<b>65,918</b>
Reserve for price fluctuation	64,133	65,918
<b>Deferred tax liabilities</b>	<b>139,408</b>	<b>106,351</b>
<b>Acceptances and guarantees</b>	<b>45,803</b>	<b>41,406</b>
<b>Total liabilities</b>	<b>5,259,108</b>	<b>5,098,731</b>
<b>(Net assets)</b>		
<b>Common stock</b>	<b>139,595</b>	<b>139,595</b>
<b>Capital surplus</b>	<b>93,107</b>	<b>93,107</b>
<b>Retained earnings</b>	<b>352,644</b>	<b>376,142</b>
<b>Total shareholders' equity</b>	<b>585,347</b>	<b>608,845</b>
<b>Net unrealized gains/(losses) on investments in securities</b>	<b>902,019</b>	<b>823,976</b>
<b>Net deferred gains/(losses) on hedges</b>	<b>40,113</b>	<b>41,474</b>
<b>Total valuation and translation adjustments</b>	<b>942,133</b>	<b>865,450</b>
<b>Total net assets</b>	<b>1,527,481</b>	<b>1,474,295</b>
<b>Total liabilities and net assets</b>	<b>6,786,590</b>	<b>6,573,027</b>

**Non-Consolidated Statements of Income**

(Yen in millions)

Items	Six months ended September 30, 2015	Six months ended September 30, 2016
<b>Ordinary income:</b>	<b>950,098</b>	<b>881,510</b>
<b>Underwriting income:</b>	<b>870,837</b>	<b>812,757</b>
Net premiums written	801,640	756,776
Deposit premiums from policyholders	50,749	37,378
Investment income on deposit premiums from policyholders	18,348	18,577
<b>Investment income:</b>	<b>77,609</b>	<b>66,538</b>
Interest and dividends income	53,891	53,637
Investment gains on money trusts	243	739
Gains on sales of securities	36,704	30,377
Transfer of investment income on deposit premiums from policyholders	(18,348)	(18,577)
<b>Other ordinary income</b>	<b>1,651</b>	<b>2,213</b>
<b>Ordinary expenses:</b>	<b>892,884</b>	<b>788,146</b>
<b>Underwriting expenses:</b>	<b>775,425</b>	<b>671,566</b>
Net claims paid	380,199	386,346
Loss adjustment expenses	42,408	43,566
Commissions and collection expenses	141,210	128,604
Maturity refunds to policyholders	101,529	84,021
Provision for outstanding claims	29,538	15,405
Provision for underwriting reserves	78,708	10,825
<b>Investment expenses:</b>	<b>11,426</b>	<b>9,993</b>
Investment losses on money trusts	446	39
Losses on sales of securities	1,365	719
Impairment losses on securities	3,408	109
<b>Operating expenses and general and administrative expenses</b>	<b>102,697</b>	<b>103,365</b>
<b>Other ordinary expenses:</b>	<b>3,334</b>	<b>3,221</b>
Interest expense	2,959	3,179
<b>Ordinary profit</b>	<b>57,213</b>	<b>93,363</b>
<b>Extraordinary income</b>	<b>196</b>	<b>434</b>
<b>Extraordinary losses</b>	<b>2,028</b>	<b>3,099</b>
<b>Income before income taxes</b>	<b>55,381</b>	<b>90,698</b>
<b>Income taxes - current</b>	<b>7,962</b>	<b>24,674</b>
<b>Income taxes - deferred</b>	<b>2,572</b>	<b>(3,288)</b>
<b>Total income taxes</b>	<b>10,535</b>	<b>21,386</b>
<b>Net income</b>	<b>44,845</b>	<b>69,312</b>

### 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, 2016	September 30, 2016
(A) Total amount of solvency margin	2,612,098	2,609,150
Total net assets	539,532	584,323
Reserve for price fluctuation	64,133	65,918
Contingency reserve	483	583
Catastrophe reserve	495,691	520,246
General bad debt reserve	199	199
Net unrealized gains/(losses) on investments in securities and net deferred gains/(losses) on hedges (prior to tax effect deductions)	1,126,342	1,028,846
Net unrealized gains/(losses) on land	39,762	45,740
Excess of policyholders' contract deposits (a)	-	-
Subordinated debts, etc. (b)	256,191	256,191
Amount excluded from the margin, out of (a) and (b)	-	-
Deductions	14,674	14,661
Others	104,435	121,761
(B) Total amount of risks $\sqrt{(R_1 + R_2)^2 + (R_3 + R_4)^2} + R_5 + R_6$	891,542	833,490
General insurance risk (R <sub>1</sub> )	120,693	123,669
Insurance risk of third sector insurance contracts (R <sub>2</sub> )	-	-
Assumed interest rate risk (R <sub>3</sub> )	17,579	17,380
Asset management risk (R <sub>4</sub> )	682,112	654,321
Business administration risk (R <sub>5</sub> )	19,645	18,546
Catastrophe risk (R <sub>6</sub> )	161,872	131,953
(C) Solvency margin ratio [(A) / {(B) x 1/2}] x 100	585.9 %	626.0 %

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

**Non-Consolidated Balance Sheets**

(Yen in millions)

Items	March 31, 2016	September 30, 2016
(Assets)		
Cash, deposits and savings	131,947	172,752
Call loans	15,000	15,000
Monetary claims bought	94	15
Money trusts	2,511	2,275
Investments in securities	2,497,578	2,451,507
Loans	221,856	215,166
Tangible fixed assets	181,665	176,093
Intangible fixed assets	23,976	21,275
Other assets	289,975	266,738
Prepaid pension expenses	28,175	27,662
Deferred tax assets	14,544	24,923
Customers' liabilities under acceptances and guarantees	12,500	12,500
Bad debt reserve	(1,309)	(1,155)
<b>Total assets</b>	<b>3,418,516</b>	<b>3,384,754</b>
(Liabilities)		
<b>Policy liabilities:</b>	<b>2,404,819</b>	<b>2,422,438</b>
Outstanding claims	511,559	513,134
Underwriting reserves	1,893,259	1,909,304
<b>Bonds issued</b>	<b>50,000</b>	<b>50,000</b>
<b>Other liabilities:</b>	<b>143,343</b>	<b>115,538</b>
Income taxes payable	3,000	6,570
Lease obligations	109	59
Asset retirement obligations	654	649
Other liabilities	139,578	108,259
<b>Reserve for pension and retirement benefits</b>	<b>20,239</b>	<b>21,608</b>
<b>Accrued bonuses for employees</b>	<b>5,757</b>	<b>5,790</b>
<b>Reserve for reorganization by function</b>	<b>166</b>	<b>360</b>
<b>Reserves under the special laws:</b>	<b>36,525</b>	<b>37,345</b>
Reserve for price fluctuation	36,525	37,345
<b>Acceptances and guarantees</b>	<b>12,500</b>	<b>12,500</b>
<b>Total liabilities</b>	<b>2,673,351</b>	<b>2,665,581</b>
(Net assets)		
<b>Common stock</b>	<b>100,005</b>	<b>100,005</b>
<b>Capital surplus</b>	<b>81,207</b>	<b>81,207</b>
<b>Retained earnings</b>	<b>221,876</b>	<b>234,914</b>
<b>Total shareholders' equity</b>	<b>403,089</b>	<b>416,127</b>
<b>Net unrealized gains/(losses) on investments in securities</b>	<b>342,075</b>	<b>303,045</b>
<b>Total valuation and translation adjustments</b>	<b>342,075</b>	<b>303,045</b>
<b>Total net assets</b>	<b>745,164</b>	<b>719,172</b>
<b>Total liabilities and net assets</b>	<b>3,418,516</b>	<b>3,384,754</b>

**Non-Consolidated Statements of Income**

(Yen in millions)

Items	Six months ended September 30, 2015	Six months ended September 30, 2016
<b>Ordinary income:</b>	<b>674,390</b>	<b>665,046</b>
<b>Underwriting income:</b>	<b>640,542</b>	<b>633,917</b>
Net premiums written	613,539	609,468
Deposit premiums from policyholders	17,583	14,943
Investment income on deposit premiums from policyholders	9,229	9,399
<b>Investment income:</b>	<b>30,967</b>	<b>27,913</b>
Interest and dividends income	30,017	26,974
Investment gains on money trusts	0	0
Gains on sales of securities	8,638	10,085
Transfer of investment income on deposit premiums from policyholders	(9,229)	(9,399)
<b>Other ordinary income</b>	<b>2,881</b>	<b>3,215</b>
<b>Ordinary expenses:</b>	<b>652,965</b>	<b>615,510</b>
<b>Underwriting expenses:</b>	<b>545,566</b>	<b>517,513</b>
Net claims paid	309,072	315,677
Loss adjustment expenses	30,349	29,597
Commissions and collection expenses	114,513	113,645
Maturity refunds to policyholders	41,331	33,557
Provision for outstanding claims	21,498	1,575
Provision for underwriting reserves	27,394	16,044
<b>Investment expenses:</b>	<b>9,818</b>	<b>5,610</b>
Losses on sales of securities	6,907	2,665
Impairment losses on securities	1,003	772
<b>Operating expenses and general and administrative expenses</b>	<b>96,079</b>	<b>91,335</b>
<b>Other ordinary expenses:</b>	<b>1,500</b>	<b>1,050</b>
Interest expense	376	376
<b>Ordinary profit</b>	<b>21,424</b>	<b>49,535</b>
<b>Extraordinary income</b>	<b>67</b>	<b>47</b>
<b>Extraordinary losses</b>	<b>3,433</b>	<b>6,340</b>
<b>Income before income taxes</b>	<b>18,059</b>	<b>43,243</b>
<b>Income taxes - current</b>	<b>1,345</b>	<b>4,941</b>
<b>Income taxes - deferred</b>	<b>2,302</b>	<b>4,791</b>
<b>Total income taxes</b>	<b>3,647</b>	<b>9,733</b>
<b>Net income</b>	<b>14,411</b>	<b>33,510</b>



**Non-Consolidated Solvency Margin Ratio**

(Yen in millions)

	March 31, 2016	September 30, 2016
(A) Total amount of solvency margin	1,246,991	1,251,522
Total net assets	382,616	403,552
Reserve for price fluctuation	36,525	37,345
Contingency reserve	747	747
Catastrophe reserve	287,174	304,802
General bad debt reserve	372	208
Net unrealized gains/(losses) on investments in securities and net deferred gains/(losses) on hedges (prior to tax effect deductions)	427,061	378,280
Net unrealized gains/(losses) on land	9,267	15,307
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	9,747	9,733
Others	62,975	71,012
(B) Total amount of risks $\sqrt{(R_1 + R_2)^2 + (R_3 + R_4)^2} + R_5 + R_6$	300,711	292,396
General insurance risk ( $R_1$ )	100,469	101,603
Insurance risk of third sector insurance contracts ( $R_2$ )	-	-
Assumed interest rate risk ( $R_3$ )	8,919	8,731
Asset management risk ( $R_4$ )	207,334	198,657
Business administration risk ( $R_5$ )	7,431	7,263
Catastrophe risk ( $R_6$ )	54,827	54,191
(C) Solvency margin ratio [(A) / {(B) x 1/2}] x 100	829.3 %	856.0 %

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

(Yen in millions)

Items	March 31, 2016	September 30, 2016
(Assets)		
<b>Cash, deposits and savings</b>	<b>3,918</b>	<b>13,426</b>
<b>Investments in securities</b>	<b>38,973</b>	<b>38,242</b>
<b>Tangible fixed assets</b>	<b>213</b>	<b>212</b>
<b>Intangible fixed assets</b>	<b>2,396</b>	<b>2,392</b>
<b>Other assets</b>	<b>5,586</b>	<b>5,191</b>
<b>Bad debt reserve</b>	<b>(1)</b>	<b>(3)</b>
<b>Total assets</b>	<b>51,086</b>	<b>59,460</b>
(Liabilities)		
<b>Policy liabilities:</b>	<b>43,044</b>	<b>43,283</b>
Outstanding claims	22,978	23,538
Underwriting reserves	20,066	19,744
<b>Other liabilities:</b>	<b>1,217</b>	<b>1,162</b>
Income taxes payable	120	107
Asset retirement obligations	16	17
Other liabilities	1,080	1,038
<b>Reserve for pension and retirement benefits</b>	<b>-</b>	<b>25</b>
<b>Accrued bonuses for employees</b>	<b>215</b>	<b>161</b>
<b>Reserves under the special laws:</b>	<b>49</b>	<b>52</b>
Reserve for price fluctuation	49	52
<b>Deferred tax liabilities</b>	<b>118</b>	<b>141</b>
<b>Total liabilities</b>	<b>44,646</b>	<b>44,827</b>
(Net assets)		
<b>Common stock</b>	<b>35,101</b>	<b>39,106</b>
<b>Capital surplus</b>	<b>5,001</b>	<b>9,006</b>
<b>Retained earnings</b>	<b>(33,816)</b>	<b>(33,648)</b>
<b>Total shareholders' equity</b>	<b>6,285</b>	<b>14,463</b>
<b>Net unrealized gains/(losses) on investments in securities</b>	<b>155</b>	<b>170</b>
<b>Total valuation and translation adjustments</b>	<b>155</b>	<b>170</b>
<b>Total net assets</b>	<b>6,440</b>	<b>14,633</b>
<b>Total liabilities and net assets</b>	<b>51,086</b>	<b>59,460</b>

**Non-Consolidated Statements of Income**

(Yen in millions)

Items	Six months ended September 30, 2015	Six months ended September 30, 2016
<b>Ordinary income:</b>	<b>18,363</b>	<b>18,975</b>
<b>Underwriting income:</b>	<b>18,306</b>	<b>18,932</b>
Net premiums written	18,157	18,600
Investment income on deposit premiums from policyholders	9	10
Reversal of underwriting reserves	139	321
<b>Investment income:</b>	<b>50</b>	<b>38</b>
Interest and dividends income	59	47
Gains on sales of securities	0	0
Transfer of investment income on deposit premiums from policyholders	(9)	(10)
<b>Other ordinary income</b>	<b>6</b>	<b>4</b>
<b>Ordinary expenses:</b>	<b>19,857</b>	<b>18,776</b>
<b>Underwriting expenses:</b>	<b>15,873</b>	<b>14,576</b>
Net claims paid	12,004	12,531
Loss adjustment expenses	1,282	1,361
Commissions and collection expenses	113	124
Provision for outstanding claims	2,472	559
<b>Investment expenses</b>	<b>-</b>	<b>-</b>
<b>Operating expenses and general and administrative expenses</b>	<b>3,964</b>	<b>4,167</b>
<b>Other ordinary expenses</b>	<b>19</b>	<b>32</b>
<b>Ordinary profit/(loss)</b>	<b>(1,493)</b>	<b>198</b>
<b>Extraordinary income</b>	<b>-</b>	<b>-</b>
<b>Extraordinary losses</b>	<b>6</b>	<b>6</b>
<b>Income/(loss) before income taxes</b>	<b>(1,499)</b>	<b>191</b>
<b>Income taxes - current</b>	<b>10</b>	<b>6</b>
<b>Income taxes - deferred</b>	<b>18</b>	<b>17</b>
<b>Total income taxes</b>	<b>29</b>	<b>23</b>
<b>Net income/(loss)</b>	<b>(1,529)</b>	<b>168</b>

**Non-Consolidated Solvency Margin Ratio**

(Yen in millions)

	March 31, 2016	September 30, 2016
(A) Total amount of solvency margin	7,721	15,359
Total net assets	6,285	14,463
Reserve for price fluctuation	49	52
Contingency reserve	0	0
Catastrophe reserve	1,191	628
General bad debt reserve	0	1
Net unrealized gains/(losses) on investments in securities and net deferred gains/(losses) on hedges (prior to tax effect deductions)	194	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 $\sqrt{(R_1 + R_2)^2 + (R_3 + R_4)^2} + R_5 + R_6$	6,701	6,715
General insurance risk ( $R_1$ )	6,129	6,129
Insurance risk of third sector insurance contracts ( $R_2$ )	-	-
Assumed interest rate risk ( $R_3$ )	0	0
Asset management risk ( $R_4$ )	818	899
Business administration risk ( $R_5$ )	217	219
Catastrophe risk ( $R_6$ )	300	300
(C) Solvency margin ratio [(A) / {(B) x 1/2}] x 100	230.4 %	457.4 %

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

**Non-Consolidated Balance Sheets**

(Yen in millions)

Items	March 31, 2016	September 30, 2016
(Assets)		
Cash, deposits and savings	73,084	166,945
Receivables under securities borrowing transactions	275,350	232,716
Investments in securities	2,765,411	2,829,239
Loans	52,677	53,845
Tangible fixed assets	4,752	5,029
Intangible fixed assets	16,768	18,359
Due from agencies	139	135
Reinsurance accounts receivable	860	21
Other assets	40,062	38,890
Bad debt reserve	(76)	(76)
<b>Total assets</b>	<b>3,229,031</b>	<b>3,345,107</b>
(Liabilities)		
<b>Policy liabilities:</b>	<b>2,696,520</b>	<b>2,812,113</b>
Outstanding claims	24,858	24,825
Underwriting reserves	2,661,796	2,777,600
Reserve for dividends to policyholders	9,865	9,687
<b>Due to agencies</b>	<b>5,013</b>	<b>4,804</b>
<b>Reinsurance accounts payable</b>	<b>262</b>	<b>256</b>
<b>Other liabilities:</b>	<b>289,830</b>	<b>295,921</b>
Payables under securities lending transactions	277,880	285,057
Income taxes payable	1,995	1,893
Lease obligations	2,695	3,333
Asset retirement obligations	426	428
Other liabilities	6,832	5,208
<b>Reserve for pension and retirement benefits</b>	<b>2,187</b>	<b>2,376</b>
<b>Reserve for retirement benefits for officers</b>	<b>34</b>	<b>31</b>
<b>Reserves under the special laws:</b>	<b>5,230</b>	<b>5,588</b>
Reserve for price fluctuation	5,230	5,588
<b>Deferred tax liabilities</b>	<b>30,221</b>	<b>27,311</b>
<b>Total liabilities</b>	<b>3,029,301</b>	<b>3,148,404</b>
(Net assets)		
<b>Common stock</b>	<b>35,500</b>	<b>35,500</b>
<b>Capital surplus</b>	<b>43,688</b>	<b>43,688</b>
<b>Retained earnings</b>	<b>1,539</b>	<b>5,838</b>
<b>Total shareholders' equity</b>	<b>80,727</b>	<b>85,026</b>
<b>Net unrealized gains/(losses) on investments in securities</b>	<b>119,001</b>	<b>111,675</b>
<b>Total valuation and translation adjustments</b>	<b>119,001</b>	<b>111,675</b>
<b>Total net assets</b>	<b>199,729</b>	<b>196,702</b>
<b>Total liabilities and net assets</b>	<b>3,229,031</b>	<b>3,345,107</b>

**Non-Consolidated Statements of Income**

(Yen in millions)

Items	Six months ended September 30, 2015	Six months ended September 30, 2016
<b>Ordinary income:</b>	<b>252,099</b>	<b>259,145</b>
<b>Insurance premiums and others:</b>	<b>227,323</b>	<b>235,799</b>
Insurance premiums	227,170	235,734
<b>Investment income:</b>	<b>23,789</b>	<b>22,523</b>
Interest and dividends income	21,422	21,769
Gains on sales of securities	2,362	753
<b>Other ordinary income</b>	<b>986</b>	<b>821</b>
Reversal of outstanding claims	-	33
<b>Ordinary expenses:</b>	<b>241,829</b>	<b>250,412</b>
<b>Insurance claims and others:</b>	<b>85,144</b>	<b>90,654</b>
Insurance claims	18,594	20,487
Annuity payments	6,583	7,684
Benefits	7,097	7,968
Surrender benefits	50,763	52,189
Other refunds	1,401	1,579
<b>Provision for underwriting reserves and others:</b>	<b>114,187</b>	<b>115,803</b>
Provision for outstanding claims	1,648	-
Provision for underwriting reserves	112,538	115,803
Provision for interest portion of reserve for dividends to policyholders	0	0
<b>Investment expenses:</b>	<b>518</b>	<b>950</b>
Interest expense	157	37
Losses on sales of securities	84	-
Losses on derivative transactions	256	889
<b>Operating expenses</b>	<b>36,671</b>	<b>37,223</b>
<b>Other ordinary expenses</b>	<b>5,307</b>	<b>5,780</b>
<b>Ordinary profit</b>	<b>10,270</b>	<b>8,732</b>
<b>Extraordinary income</b>	<b>0</b>	<b>0</b>
<b>Extraordinary losses</b>	<b>357</b>	<b>366</b>
<b>Provision for reserve for dividends to policyholders</b>	<b>2,838</b>	<b>2,219</b>
<b>Income before income taxes</b>	<b>7,074</b>	<b>6,146</b>
<b>Income taxes - current</b>	<b>2,179</b>	<b>1,908</b>
<b>Income taxes - deferred</b>	<b>(228)</b>	<b>(60)</b>
<b>Total income taxes</b>	<b>1,950</b>	<b>1,847</b>
<b>Net income</b>	<b>5,123</b>	<b>4,298</b>

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

## (1) Policies in force

(Yen in 100 millions)

	March 31, 2016		September 30, 2016	
	Number of policies (in thousands)	Amount	Number of policies (in thousands)	Amount
Individual insurance	2,767	218,310	2,848	220,697
Individual annuities	185	7,449	185	7,376
Group insurance	-	65,187	-	68,680
Group annuities	-	3	-	3

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

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

## (2) New policies

(Yen in 100 millions)

	Six months ended September 30, 2015				Six months ended September 30, 2016			
	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	156	12,237	12,237	-	153	10,763	10,763	-
Individual annuities	2	117	117	-	3	131	131	-
Group insurance	-	519	519	-	-	347	347	-
Group annuities	-	-	-	-	-	-	-	-

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

**Annualized Premiums**

## (1) Policies in force

(Yen in 100 millions)

	March 31, 2016	September 30, 2016
Individual insurance	3,327	3,426
Individual annuities	429	430
Total:	3,757	3,857
Medical coverage, living benefits, etc.	787	837

## (2) New policies

(Yen in 100 millions)

	Six months ended September 30, 2015	Six months ended September 30, 2016
Individual insurance	238	224
Individual annuities	6	7
Total:	245	231
Medical coverage, living benefits, etc.	67	77

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

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

**Non-Consolidated Business Performance**

(Yen in millions)

	Six months ended September 30, 2015	Six months ended September 30, 2016	Change
Fundamental revenues:	249,735	258,393	8,657
Insurance premiums and others	227,323	235,799	8,476
Fundamental expenses	240,387	248,277	7,890
Fundamental profit	9,348	10,115	767
Capital gains/(losses)	2,022	(141)	(2,163)
Non-recurring gains/(losses)	(1,101)	(1,242)	(141)
Ordinary profit	10,270	8,732	(1,537)
Extraordinary income	0	0	0
Extraordinary losses	357	366	9
Provision for reserve for dividends to policyholders	2,838	2,219	(618)
Income taxes	1,950	1,847	(102)
Net income	5,123	4,298	(824)

**Non-Consolidated Solvency Margin Ratio**

(Yen in millions)

	March 31, 2016	September 30, 2016
(A) Total amount of solvency margin	380,460	380,403
Total capital	80,727	82,726
Reserve for price fluctuation	5,230	5,588
Contingency reserve	29,150	30,390
General bad debt reserve	11	9
Net unrealized gains/(losses) on investments in securities and net deferred gains/(losses) on hedges (prior to tax effect deductions) x 90%	148,752	139,594
Net unrealized gains/(losses) on land x 85%	-	-
Excess of continued Zillmerized reserve (a)	142,443	146,809
Subordinated debts, etc. (b)	-	-
Amount excluded from the margin, out of (a) and (b)	(26,894)	(27,545)
Brought in capital	-	-
Deductions	-	-
Others	1,038	2,828
(B) Total amount of risks $\sqrt{(R_1 + R_8)^2 + (R_2 + R_3 + R_7)^2} + R_4$	47,604	49,420
Insurance risk ( $R_1$ )	15,906	16,235
Insurance risk of third sector insurance contracts ( $R_8$ )	9,660	10,505
Assumed interest rate risk ( $R_2$ )	3,049	3,068
Minimum guarantee risk ( $R_7$ )	-	-
Asset management risk ( $R_3$ )	35,576	36,896
Business administration risk ( $R_4$ )	1,283	1,334
(C) Solvency margin ratio [(A) / {(B) x 1/2}] x 100	1,598.4 %	1,539.4 %



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

**Non-Consolidated Balance Sheets**

(Yen in millions)

Items	March 31, 2016	September 30, 2016
(Assets)		
Cash, deposits and savings	136,349	79,526
Call loans	16,175	-
Monetary claims bought	34,997	50,499
Money trusts	813,920	810,462
Investments in securities	3,906,188	4,004,079
Loans	160,609	179,726
Tangible fixed assets	749	641
Intangible fixed assets	4,748	4,703
Reinsurance accounts receivable	139	1,174
Other assets	83,598	23,739
Deferred tax assets	33,754	27,768
<b>Total assets</b>	<b>5,191,230</b>	<b>5,182,321</b>
(Liabilities)		
<b>Policy liabilities:</b>	<b>4,888,353</b>	<b>4,957,755</b>
Outstanding claims	9,605	10,438
Underwriting reserves	4,878,748	4,947,316
<b>Due to agencies</b>	<b>9,668</b>	<b>6,698</b>
<b>Reinsurance accounts payable</b>	<b>3,074</b>	<b>3,192</b>
<b>Other liabilities:</b>	<b>110,019</b>	<b>37,898</b>
Income taxes payable	2,110	8
Lease obligations	368	278
Asset retirement obligations	130	131
Other liabilities	107,410	37,480
<b>Reserves under the special laws:</b>	<b>55,093</b>	<b>40,339</b>
Reserve for price fluctuation	55,093	40,339
<b>Total liabilities</b>	<b>5,066,210</b>	<b>5,045,884</b>
(Net assets)		
<b>Common stock</b>	<b>41,060</b>	<b>41,060</b>
<b>Capital surplus</b>	<b>24,735</b>	<b>24,735</b>
<b>Retained earnings</b>	<b>48,686</b>	<b>56,375</b>
<b>Total shareholders' equity</b>	<b>114,481</b>	<b>122,170</b>
<b>Net unrealized gains/(losses) on investments in securities</b>	<b>10,538</b>	<b>14,266</b>
<b>Total valuation and translation adjustments</b>	<b>10,538</b>	<b>14,266</b>
<b>Total net assets</b>	<b>125,019</b>	<b>136,437</b>
<b>Total liabilities and net assets</b>	<b>5,191,230</b>	<b>5,182,321</b>

**Non-Consolidated Statements of Income**

(Yen in millions)

Items	Six months ended September 30, 2015	Six months ended September 30, 2016
<b>Ordinary income:</b>	<b>700,346</b>	<b>569,801</b>
<b>Insurance premiums and others:</b>	<b>650,876</b>	<b>540,311</b>
Insurance premiums	650,574	537,989
<b>Investment income:</b>	<b>28,019</b>	<b>27,707</b>
Interest and dividends income	22,320	26,272
Gains on sales of securities	5,698	1,306
Gains on derivative transactions	-	128
<b>Other ordinary income:</b>	<b>21,451</b>	<b>1,782</b>
Reversal of outstanding claims	1,865	-
Reversal of underwriting reserves	18,162	-
<b>Ordinary expenses:</b>	<b>669,895</b>	<b>568,316</b>
<b>Insurance claims and others:</b>	<b>394,097</b>	<b>190,581</b>
Insurance claims	26,531	27,820
Annuity payments	35,495	40,303
Benefits	110,126	57,739
Surrender benefits	202,238	44,090
Other refunds	1,549	1,652
<b>Provision for underwriting reserves and others:</b>	<b>-</b>	<b>69,401</b>
Provision for outstanding claims	-	833
Provision for underwriting reserves	-	68,568
<b>Investment expenses:</b>	<b>225,254</b>	<b>267,319</b>
Interest expense	0	0
Investment losses on money trusts	44,044	51,667
Losses on sales of securities	342	1,299
Losses on derivative transactions	3	-
Investment losses on separate accounts	95,550	62,615
<b>Operating expenses</b>	<b>44,511</b>	<b>35,837</b>
<b>Other ordinary expenses</b>	<b>6,031</b>	<b>5,176</b>
<b>Ordinary profit</b>	<b>30,451</b>	<b>1,485</b>
<b>Extraordinary income</b>	<b>-</b>	<b>14,754</b>
<b>Extraordinary losses</b>	<b>802</b>	<b>-</b>
<b>Income before income taxes</b>	<b>29,649</b>	<b>16,239</b>
<b>Income taxes - current</b>	<b>8,424</b>	<b>(81)</b>
<b>Income taxes - deferred</b>	<b>73</b>	<b>4,536</b>
<b>Total income taxes</b>	<b>8,497</b>	<b>4,454</b>
<b>Net income</b>	<b>21,151</b>	<b>11,785</b>

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

## (1) Policies in force

(Yen in 100 millions)

	March 31, 2016		September 30, 2016	
	Number of policies (in thousands)	Amount	Number of policies (in thousands)	Amount
Individual insurance	449	24,467	533	26,670
Individual annuities	325	24,640	325	23,016
Group insurance	-	-	-	-
Group annuities	-	-	-	-

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

## (2) New policies

(Yen in 100 millions)

	Six months ended September 30, 2015				Six months ended September 30, 2016			
	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	98	5,315	5,315	-	88	4,572	4,572	-
Individual annuities	16	933	933	-	11	635	635	-
Group insurance	-	-	-	-	-	-	-	-
Group annuities	-	-	-	-	-	-	-	-

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

**Annualized Premiums**

## (1) Policies in force

(Yen in 100 millions)

	March 31, 2016	September 30, 2016
Individual insurance	1,598	1,749
Individual annuities	3,242	3,039
Total:	4,840	4,789
Medical coverage, living benefits, etc.	0	0

## (2) New policies

(Yen in 100 millions)

	Six months ended September 30, 2015	Six months ended September 30, 2016
Individual insurance	357	315
Individual annuities	597	417
Total:	955	733
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 lump-sum payment policy is the premium divided by the number of years of coverage.
2. "Medical coverage, living benefits, etc." represents the portion of annualized premiums that corresponds to medical coverage benefits (for hospitalization, surgeries, etc.), living benefits (for specified diseases, nursing care, etc.) and premium waiver benefits (excluding those for disability, but including those for specified diseases, nursing care, etc.).

**Non-Consolidated Business Performance**

(Yen in millions)

	Six months ended September 30, 2015	Six months ended September 30, 2016	Change
Fundamental revenues:	699,755	575,662	(124,092)
Insurance premiums and others	650,876	540,311	(110,564)
Fundamental expenses	671,490	595,684	(75,806)
Fundamental profit/(loss)	28,264	(20,021)	(48,286)
Capital gains/(losses)	(1,384)	16,951	18,335
Non-recurring gains/(losses)	3,570	4,555	984
Ordinary profit	30,451	1,485	(28,966)
Extraordinary income	-	14,754	14,754
Extraordinary losses	802	-	(802)
Provision for reserve for dividends to policyholders	-	-	-
Income taxes	8,497	4,454	(4,043)
Net income	21,151	11,785	(9,366)

**Non-Consolidated Solvency Margin Ratio**

(Yen in millions)

	March 31, 2016	September 30, 2016
(A) Total amount of solvency margin	438,444	435,936
Total capital	110,384	121,541
Reserve for price fluctuation	55,093	40,339
Contingency reserve	73,159	68,603
General bad debt reserve	-	-
Net unrealized gains/(losses) on investments in securities and net deferred gains/(losses) on hedges (prior to tax effect deductions) x 90%	13,173	17,833
Net unrealized gains/(losses) on land x 85%	-	-
Excess of continued Zillmerized reserve (a)	169,946	166,641
Subordinated debts, etc. (b)	-	-
Amount excluded from the margin, out of (a) and (b)	-	-
Brought in capital	-	-
Deductions	-	-
Others	16,687	20,977
(B) Total amount of risks $\sqrt{(R_1 + R_8)^2 + (R_2 + R_3 + R_7)^2} + R_4$	88,978	92,809
Insurance risk (R <sub>1</sub> )	55	52
Insurance risk of third sector insurance contracts (R <sub>8</sub> )	7	6
Assumed interest rate risk (R <sub>2</sub> )	36,504	35,793
Minimum guarantee risk (R <sub>7</sub> )	4,218	4,118
Asset management risk (R <sub>3</sub> )	46,509	51,076
Business administration risk (R <sub>4</sub> )	1,745	1,820
(C) Solvency margin ratio [(A) / {(B) x 1/2}] x 100	985.5 %	939.4 %

### 3. Supplementary Information on Business Results for the Six Months Ended September 30, 2016 for Press Conference

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

##### 1. Basic Information

(Yen in 100 millions)

		Six months ended September 30, 2015 (A)	Year ended March 31, 2016 (B)	Six months ended September 30, 2016 (C)	Change (C) - (B)	Change (C) - (A)
1	Net premiums written	8,015	15,074	7,566	-	(449)
	Change ratio	9.9 %	4.3 %	(5.6)%	(9.9)%	(15.5)%
2	Total assets	69,728	67,865	65,730	(2,135)	(3,998)
3	Net loss ratio	52.7 %	58.9 %	56.8 %	(2.1)%	4.1 %
4	Net expense ratio	29.8 %	31.0 %	30.0 %	(1.0)%	0.2 %
5	Combined ratio	82.5 %	89.9 %	86.8 %	(3.1)%	4.3 %
	Underwriting result ratio	17.5 %	10.1 %	13.2 %	3.1 %	(4.3)%
6	Voluntary automobile insurance					
	Net premiums written	3,256	6,456	3,309	-	52
	Change ratio	3.7 %	3.1 %	1.6 %	(1.5)%	(2.1)%
	Underwriting result ratio	13.5 %	9.5 %	14.9 %	5.4 %	1.4 %
	Net loss ratio	56.1 %	59.2 %	54.8 %	(4.4)%	(1.3)%
	Net expense ratio	30.4 %	31.3 %	30.3 %	(1.0)%	(0.1)%
7	Fire and allied insurance					
	Net premiums written	1,518	2,424	942	-	(575)
	Change ratio	41.9 %	8.9 %	(37.9)%	(46.8)%	(79.8)%
	Underwriting result ratio	26.0 %	6.6 %	(7.5)%	(14.1)%	(33.5)%
	Net loss ratio	39.7 %	55.2 %	67.1 %	11.9 %	27.4 %
	Net expense ratio	34.3 %	38.2 %	40.4 %	2.2 %	6.1 %
8	Number of employees	14,818	14,691	14,748	57	(70)
9	Number of agencies	42,868	42,198	41,953	(245)	(915)

- (Notes) 1. Net premiums written and ratios are presented exclusive of Good Result Return premiums of the automobile insurance product "ModoRich", which contains a special clause related to premium adjustment and refund at maturity.  
2. Net loss ratio = (net claims paid + loss adjustment expenses) / net premiums written x 100  
3. Net expense ratio = (commissions and collection expenses + operating expenses and general administrative expenses for underwriting) / net premiums written x 100  
4. Combined ratio = net loss ratio + net expense ratio  
5. Underwriting result ratio = 100 - combined ratio

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

(Yen in 100 millions)

		Six months ended September 30, 2015 (A)	Year ended March 31, 2016 (B)	Six months ended September 30, 2016 (C)	Change (C) - (B)	Change (C) - (A)
1	Ordinary income	25,064	50,133	27,662	-	2,598
2	Net premiums written	16,200	30,789	18,393	-	2,193
	Change ratio	9.0 %	4.7 %	13.5 %	8.8 %	4.5 %
3	Life insurance premiums	6,085	13,563	6,610	-	525
	Change ratio	22.5 %	87.9 %	8.6 %	(79.3)%	(13.9)%
4	Ordinary profit	1,224	2,915	1,510	-	285
5	Net income attributable to owners of the parent	860	1,815	984	-	123

- (Notes) 1. Ordinary income and net premiums written 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. The provisional accounting treatment of the business combination occurring in the year ended March 31, 2015 was finalized in the year ended March 31 2016, which is reflected in the figures for six months ended September 30, 2015.

**2. Other Information****(a) Non-performing assets****Risk-monitored loans**

(Yen in 100 millions)

	September 30, 2015	March 31, 2016	September 30, 2016
Loans to borrowers in bankruptcy	0	0	0
Overdue loans	3	1	1
Loans overdue for three months or more	5	5	5
Restructured loans	5	5	4
Total	15	12	12
Ratio to total loans	0.3 %	0.3 %	0.3 %

(Reference) Total loans	4,719	4,486	4,178
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**Results of self-assessment of assets**

(Yen in 100 millions)

	September 30, 2015	March 31, 2016	September 30, 2016
Non-classified	68,273	62,946	61,402
Category II	1,381	4,889	4,301
Category III	46	4	1
Category IV	61	99	25
Subtotal (Categories II - IV)	1,490	4,992	4,329
Total	69,764	67,939	65,731

(Note) "Total" represents the balances before write-off conducted based on self-assessment of assets (including impairment losses on securities and fixed assets).

**(b) Impairment losses on securities**

(Yen in 100 millions)

	Six months ended September 30, 2015	Year ended March 31, 2016	Six months ended September 30, 2016
Domestic bonds	-	-	-
Domestic stocks	34	72	0
Foreign securities	-	-	0
Other securities	-	0	-
Total	34	72	1

**Rules for recognition of impairment**

In principle, the Company recognizes impairment losses on securities with practically determinable fair value if the fair value declines by 30% or more from the cost.

**(c) Impairment losses on fixed assets**

(Yen in 100 millions)

	Six months ended September 30, 2015	Year ended March 31, 2016	Six months ended September 30, 2016
Land	0	72	0
Buildings	1	10	2
Others	-	-	-
Total	1	82	3

**(d) Unrealized gains and losses on investments in securities**

(Yen in 100 millions)

	September 30, 2015	March 31, 2016	September 30, 2016
Domestic bonds	1,186	1,910	1,947
Domestic stocks	12,434	10,403	9,574
Foreign securities	238	166	(74)
Other securities	36	44	37
Total	13,896	12,524	11,484

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

2. Monetary claims bought are included in "Other securities".

**(e) Losses caused by natural disasters in Japan, excluding residential earthquake insurance**

(Yen in 100 millions)

	Six months ended September 30, 2015	Year ended March 31, 2016	Six months ended September 30, 2016
Direct claims paid	59	403	94
Net claims paid	57	359	69
Outstanding claims	294	20	230

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

**(f) Catastrophe reserve**

(Yen in 100 millions)

Lines of insurance	September 30, 2015			March 31, 2016			September 30, 2016		
	Balance	Reserve Ratio	Provision	Balance	Reserve Ratio	Provision	Balance	Reserve Ratio	Provision
Fire and allied	1,320	43.6 %	139	1,402	58.0 %	220	1,487	79.3 %	85
Marine	739	104.2 %	16	753	112.6 %	30	768	122.8 %	14
Personal accident	646	43.5 %	23	631	44.8 %	44	655	43.5 %	23
Voluntary automobile	322	4.9 %	104	380	5.9 %	206	486	7.3 %	106
Other	1,620	68.2 %	66	1,656	73.7 %	121	1,728	65.4 %	73
Total	4,649	32.9 %	349	4,825	36.6 %	624	5,126	38.6 %	302

(Notes) 1. Reserve ratio = catastrophe reserve / (net premiums written (excluding premiums of residential earthquake insurance and compulsory automobile liability insurance and Good Result Return premiums of the automobile insurance product "ModoRich")) x 100

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

2. Provision = gross provision

**(g) Reinsurance assumed**

(Yen in 100 millions)

Lines of insurance	Six months ended September 30, 2015		Six months ended September 30, 2016	
	Net reinsurance assumed premiums written	Net reinsurance assumed claims paid	Net reinsurance assumed premiums written	Net reinsurance assumed claims paid
Fire and allied	205	151	174	159
Marine	83	44	80	44
Personal accident	2	3	3	3
Voluntary automobile	29	7	27	6
Compulsory automobile liability	737	676	711	685
Other	101	48	86	67
Total	1,159	931	1,082	965

**(h) Reinsurance ceded**

(Yen in 100 millions)

Lines of insurance	Six months ended September 30, 2015		Six months ended September 30, 2016	
	Net reinsurance ceded premiums written	Net reinsurance ceded claims paid	Net reinsurance ceded premiums written	Net reinsurance ceded claims paid
Fire and allied	582	107	536	505
Marine	231	107	197	92
Personal accident	40	14	55	26
Voluntary automobile	39	21	42	20
Compulsory automobile liability	663	643	650	642
Other	258	124	269	101
Total	1,815	1,020	1,751	1,389

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

### 1. Basic Information

(Yen in 100 millions)

		Six months ended September 30, 2015 (A)	Year ended March 31, 2016 (B)	Six months ended September 30, 2016 (C)	Change (C) - (B)	Change (C) - (A)
1	Net premiums written	6,135	11,920	6,094	-	(40)
	Change ratio	5.1 %	2.7 %	(0.7)%	(3.4)%	(5.8)%
2	Total assets	34,301	34,185	33,847	(337)	(453)
3	Net loss ratio	55.3 %	59.2 %	56.7 %	(2.5)%	1.4 %
4	Net expense ratio	33.7 %	34.3 %	33.0 %	(1.3)%	(0.7)%
5	Combined ratio	89.0 %	93.5 %	89.7 %	(3.8)%	0.7 %
	Underwriting result ratio	11.0 %	6.5 %	10.3 %	3.8 %	(0.7)%
6	Voluntary automobile insurance					
	Net premiums written	3,396	6,718	3,456	-	59
	Change ratio	1.8 %	1.0 %	1.8 %	0.8 %	-
	Underwriting result ratio	11.2 %	7.8 %	13.3 %	5.5 %	2.1 %
	Net loss ratio	55.7 %	58.1 %	53.7 %	(4.4)%	(2.0)%
	Net expense ratio	33.1 %	34.1 %	33.0 %	(1.1)%	(0.1)%
7	Fire and allied insurance					
	Net premiums written	892	1,676	750	-	(142)
	Change ratio	34.8 %	15.7 %	(15.9)%	(31.6)%	(50.7)%
	Underwriting result ratio	15.3 %	5.0 %	4.4 %	(0.6)%	(10.9)%
	Net loss ratio	41.4 %	51.9 %	55.1 %	3.2 %	13.7 %
	Net expense ratio	43.3 %	43.1 %	40.5 %	(2.6)%	(2.8)%
8	Number of employees	13,474	13,260	13,111	(149)	(363)
9	Number of agencies	53,842	53,621	53,755	134	(87)

(Notes) 1. Net loss ratio = (net claims paid + loss adjustment expenses) / net premiums written x 100

2. Net expense ratio = (commissions and collection expenses + operating expenses and general administrative expenses for underwriting) / net premiums written x 100

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

4. Underwriting result ratio = 100 - combined ratio

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

Please refer to page 35.



**2. Other Information****(a) Non-performing assets****Risk-monitored loans**

(Yen in 100 millions)

	September 30, 2015	March 31, 2016	September 30, 2016
Loans to borrowers in bankruptcy	-	-	0
Overdue loans	4	3	3
Loans overdue for three months or more	3	3	3
Restructured loans	13	13	12
Total	22	20	20
Ratio to total loans	1.0 %	0.9 %	0.9 %

(Reference) Total loans	2,233	2,218	2,151
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**Results of self-assessment of assets**

(Yen in 100 millions)

	September 30, 2015	March 31, 2016	September 30, 2016
Non-classified	33,940	33,659	33,093
Category II	258	434	559
Category III	0	0	0
Category IV	40	83	18
Subtotal (Categories II - IV)	299	518	577
Total	34,239	34,177	33,671

(Note) "Total" represents the balances before write-off conducted based on self-assessment of assets (including impairment losses on securities and fixed assets).

**(b) Impairment losses on securities**

(Yen in 100 millions)

	Six months ended September 30, 2015	Year ended March 31, 2016	Six months ended September 30, 2016
Domestic bonds	-	-	-
Domestic stocks	10	66	7
Foreign securities	-	0	-
Other securities	-	-	-
Total	10	66	7

**Rules for recognition of impairment**

In principle, the Company recognizes impairment losses on securities with practically determinable fair value if the fair value declines by 30% or more from the cost.

**(c) Impairment losses on fixed assets**

(Yen in 100 millions)

	Six months ended September 30, 2015	Year ended March 31, 2016	Six months ended September 30, 2016
Land	15	22	21
Buildings	7	14	21
Others	-	-	1
Total	22	36	44

**(d) Unrealized gains and losses on investments in securities**

(Yen in 100 millions)

	September 30, 2015	March 31, 2016	September 30, 2016
Domestic bonds	520	838	841
Domestic stocks	3,482	3,248	2,920
Foreign securities	671	597	408
Other securities	57	52	33
Total	4,732	4,736	4,203

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

2. Monetary claims bought are included in "Other securities".

**(e) Losses caused by natural disasters in Japan, excluding residential earthquake insurance**

(Yen in 100 millions)

	Six months ended September 30, 2015	Year ended March 31, 2016	Six months ended September 30, 2016
Direct claims paid	51	278	54
Net claims paid	49	268	48
Outstanding claims	232	29	109

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

**(f) Catastrophe reserve**

(Yen in 100 millions)

Lines of insurance	September 30, 2015			March 31, 2016			September 30, 2016		
	Balance	Reserve Ratio	Provision	Balance	Reserve Ratio	Provision	Balance	Reserve Ratio	Provision
Fire and allied	1,057	59.4 %	72	1,121	67.1 %	136	1,182	79.1 %	61
Marine	138	233.1 %	0	138	240.1 %	0	138	240.4 %	0
Personal accident	622	91.3 %	10	631	99.4 %	20	642	98.4 %	10
Voluntary automobile	322	4.8 %	109	299	4.5 %	215	409	5.9 %	110
Other	570	47.7 %	30	591	52.6 %	56	625	45.1 %	33
Total	2,710	25.8 %	222	2,782	27.3 %	429	2,998	28.5 %	216

(Notes) 1. Reserve ratio = catastrophe reserve / (net premiums written (excluding premiums of residential earthquake insurance and compulsory automobile liability insurance)) x 100

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

2. Provision = gross provision

**(g) Reinsurance assumed**

(Yen in 100 millions)

Lines of insurance	Six months ended September 30, 2015		Six months ended September 30, 2016	
	Net reinsurance assumed premiums written	Net reinsurance assumed claims paid	Net reinsurance assumed premiums written	Net reinsurance assumed claims paid
Fire and allied	185	44	200	81
Marine	32	10	29	14
Personal accident	14	6	12	6
Voluntary automobile	89	66	125	52
Compulsory automobile liability	640	614	607	609
Other	160	110	160	108
Total	1,121	853	1,136	873

**(h) Reinsurance ceded**

(Yen in 100 millions)

Lines of insurance	Six months ended September 30, 2015		Six months ended September 30, 2016	
	Net reinsurance ceded premiums written	Net reinsurance ceded claims paid	Net reinsurance ceded premiums written	Net reinsurance ceded claims paid
Fire and allied	600	56	368	446
Marine	2	2	0	0
Personal accident	28	10	30	8
Voluntary automobile	13	3	11	4
Compulsory automobile liability	706	695	687	675
Other	240	151	199	115
Total	1,591	920	1,298	1,252

**(Reference)**

**Incurred losses and net claims paid (two major domestic non-life insurance subsidiaries)**

**1. Incurred losses (excluding loss adjustment expenses)**

(Yen in 100 millions)

	Items	Six months ended September 30, 2015	<b>Six months ended September 30, 2016</b>	<b>Change</b>
Mitsui Sumitomo Insurance + Aioi Nissay Dowa Insurance:	1	6,119	<b>5,831</b>	<b>(287)</b>
Natural disasters in Japan (excluding residential earthquake insurance)	2	633	<b>457</b>	<b>(176)</b>
Other	3	5,485	<b>5,373</b>	<b>(111)</b>

(Notes) 1. Incurred losses (excluding loss adjustment expenses) = net claims paid + movement in outstanding claims

2. “Natural disasters in Japan” represents losses caused by natural disasters in Japan incurred during the respective period.

3. Excluding residential earthquake insurance and CALI

**2. Net claims paid**

(Yen in 100 millions)

	Items	Six months ended September 30, 2015	<b>Six months ended September 30, 2016</b>	<b>Change</b>
Mitsui Sumitomo Insurance + Aioi Nissay Dowa Insurance:	4	6,892	<b>7,020</b>	<b>127</b>
Natural disasters in Japan (excluding residential earthquake insurance)	5	107	<b>118</b>	<b>10</b>
Residential earthquake insurance	6	-	<b>102</b>	<b>102</b>
CALI	7	1,291	<b>1,294</b>	<b>3</b>
Other	8	5,493	<b>5,504</b>	<b>11</b>