

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

1. Summary of Consolidated Business Results

(1) Summary of Consolidated Results of Operations

(Yen in 100 millions)

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

(Notes)

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

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

(Yen in 100 millions)

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

(Notes)

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

(3) Breakdown of Overseas Insurance Subsidiaries

(Yen in 100 millions)

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

(4) Status of Domestic Life Insurance Subsidiaries

(Yen in 100 millions)

		Six months ended September 30, 2011	Six months ended September 30, 2012	Change	Change ratio (%)	Year ended March 31, 2012
Amount of new policies				From the year-earlier period	From the year-earlier period	
Mitsui Sumitomo Aioi Life Insurance	①	16,253	18,283	2,030	12.5	32,770
Mitsui Sumitomo Primary Life Insurance	②	1,178	2,175	997	84.7	2,374
Amount of policies in force				From the previous year	From the previous year	
Mitsui Sumitomo Aioi Life Insurance	③	172,463	190,385	9,760	5.4	180,624
Mitsui Sumitomo Primary Life Insurance	④	28,447	31,030	(194)	(0.6)	31,225
Annualized premiums for policies in force				From the previous year	From the previous year	
Mitsui Sumitomo Aioi Life Insurance	⑤	2,873	3,031	84	2.9	2,947
Mitsui Sumitomo Primary Life Insurance	⑥	4,226	4,431	42	1.0	4,389

(Notes)

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

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

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

(1) Profit and loss status

(Yen in 100 millions)

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

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

Incurred Loss	+	⑳	4,749	3,970	(778)	(16.4)
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(Note) 1.Net loss ratio = ((Net claims paid + Loss adjustment expenses) / Net premiums written) × 100

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

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

(Reference) Excluding Compulsory Automobile Liability Insurance

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

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

Net loss ratio	㉗	61.7 %	69.5 %	7.8 %
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(2) Net premiums written

(Yen in 100 millions)

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

(3) Net claims paid

(Yen in 100 millions)

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

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

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

(Reference) Natural disasters during the year

(Yen in 100 millions)

	Six months ended September 30, 2011			Six months ended September 30, 2012		
	Incurred loss	Net claims paid	Outstanding claims	Incurred loss	Net claims paid	Outstanding claims
Fire and allied	187	24	162	228	143	84
Voluntary automobile	33	14	18	31	24	7
Other	14	1	13	19	6	13
Total	235	40	194	280	174	105

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

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

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

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

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

(Reference) Natural disasters of flooding in Thailand

(Yen in 100 millions)

	Year ended March 31, 2012			Six months ended September 30, 2012		
	Incurred loss	Net claims paid	Outstanding claims	Incurred loss	Net claims paid	Outstanding claims
Incurred loss caused by flooding in Thailand	2,342	914	1,427	(172)	417	(589)

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

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

(4) Company expenses

< Corporate expenses >

(Yen in 100 millions)

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

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

< Expenses for underwriting >

(Yen in 100 millions)

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

(Mitsui Sumitomo Insurance Co., Ltd.)

(5) Outstanding claims

(Yen in 100 millions)

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

(6) Incurred loss and earned-incurred loss ratio

(Yen in 100 millions)

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

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

Figures are excluding residential earthquake insurance and compulsory automobile liability insurance

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

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

Earned-incurred loss ratio = Incurred loss / Earned premiums

(7) Underwriting reserve

(Yen in 100 millions)

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

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

(Mitsui Sumitomo Insurance Co., Ltd.)

(8) Catastrophe reserve

(Yen in 100 millions)

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

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

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

(9) Balance of invested asset

(Yen in 100 millions)

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

(Reference)

Long-term assets	17,481	16,852	(629)
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(Reference) Breakdown of domestic bonds by issuer type

(Yen in 100 millions)

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

(10) Breakdown of interest and dividends

(Yen in 100 millions)

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

(11) Securities

Unrealized gains and losses on securities

(Yen in 100 millions)

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

(Yen in 100 millions)

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

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

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

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

Gains and losses on sale of securities

(Yen in 100 millions)

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

Losses on devaluation of securities

(Yen in 100 millions)

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

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

(1) Profit and loss status

(Yen in 100 millions)

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

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

Incurred Loss	+	㉚	3,991	3,582	(408)	(10.2)
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(Note) 1.Net loss ratio = ((Net claims paid + Loss adjustment expenses) / Net premiums written) × 100

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

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

(Reference) Excluding Compulsory Automobile Liability Insurance

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

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

Net loss ratio	㉟	65.8 %	67.2 %	1.4 %	
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(2) Net premiums written

(Yen in 100 millions)

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

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

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

(3) Net claims paid

(Yen in 100 millions)

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

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

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

(Reference) Natural disasters during the year

(Yen in 100 millions)

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

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

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

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

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

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

(Reference) Natural disasters of flooding in Thailand

(Yen in 100 millions)

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

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

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

(4) Company expenses

(Yen in 100 millions)

< Corporate expenses >

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

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

< Expenses for underwriting >

(Yen in 100 millions)

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

(5) Outstanding claims

(Yen in 100 millions)

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

(6) Incurred loss and earned-incurred loss ratio

(Yen in 100 millions)

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

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

Figures are excluding residential earthquake insurance and compulsory automobile liability insurance

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

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

Earned-incurred loss ratio = Incurred loss / Earned premiums

(7) Underwriting reserve

(Yen in 100 millions)

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

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

(8) Catastrophe reserve

(Yen in 100 millions)

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

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

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

(9) Balance of invested asset

(Yen in 100 millions)

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

(Reference)

Long-term assets	6,651	6,411	(240)
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(Reference) Breakdown of domestic bonds by issuer type

(Yen in 100 millions)

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

(10) Breakdown of interest and dividends

(Yen in 100 millions)

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

(11) Securities

Unrealized gains and losses on securities

(Yen in 100 millions)

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

(Yen in 100 millions)

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

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

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

Gains and losses on sale of securities

(Yen in 100 millions)

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

Losses on devaluation of securities

(Yen in 100 millions)

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

4 . Earnings forecast

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

(Yen in 100 millions)

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

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

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

(Yen in 100 millions)

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

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

(Yen in 100 millions)

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

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

(Breakdown of earnings forecast)

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

(Yen in 100 millions)

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

Reference: excluding compulsory automobile liability insurance

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

Forecast by line of business

(Yen in 100 millions)

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

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

(Yen in 100 millions)

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

Reference: excluding compulsory automobile liability insurance

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

Forecast by line of business

(Yen in 100 millions)

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

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

Consolidated

(Yen in millions)

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

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

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

Net Premiums Written by Lines of Insurance

(Yen in millions)

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

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

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

Net Claims Paid by Lines of Insurance

(Yen in millions)

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

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

Securities available for sale

(Yen in millions)

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

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

Non-Consolidated Statements of Income

(Yen in millions)

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

Solvency Margin Ratio (Non-Consolidated)

(Yen in millions)

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

Non-Consolidated Statements of Income

(Yen in millions)

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

Solvency Margin Ratio (Non-Consolidated)

(Yen in millions)

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

Non-Consolidated Statements of Income

(Yen in millions)

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

Solvency Margin Ratio (Non-Consolidated)

(Yen in millions)

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

Non-Consolidated Statements of Income

(Yen in millions)

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

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

(1) Amount of policies in force

(Yen in millions)

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

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

(2) Amount of new policies

(Yen in millions)

	Six months ended September 30, 2011 (Simple Combination)				Six months ended September 30, 2012			
	Number of policies (in thousands)	Amount	New policies	Net increase by conversion	Number of policies (in thousands)	Amount	New policies	Net increase by conversion
Individual Insurance	176	1,548,642	1,548,642	-	154	1,790,698	1,790,698	-
Individual Annuities	16	76,670	76,670	-	7	37,621	37,621	-
Group Insurance	—	14,556	14,556	—	—	683,709	683,709	—
Group Annuities	—	0	0	—	—	-	-	—

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

Annualized Premiums

(1) Amount of policies in force

(Yen in millions)

	As of March 31, 2012	As of September 30, 2012
Individual Insurance	255,164	262,562
Individual Annuities	39,562	40,573
Total:	294,726	303,135
Medical coverage, living benefits, etc.	51,956	53,373

(2) Amount of new policies

(Yen in millions)

	Six months ended September 30, 2011 (Simple Combination)	Six months ended September 30, 2012
Individual Insurance	19,854	19,417
Individual Annuities	3,824	2,080
Total:	23,679	21,497
Medical coverage, living benefits, etc.	4,651	3,209

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

Summary of Non-Consolidated Results of Operations

(Yen in millions)

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

Solvency Margin Ratio (Non-Consolidated)

(Yen in millions)

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

Non-Consolidated Statements of Income

(Yen in millions)

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

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

(1) Amount of policies in force

(Yen in millions)

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

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

(2) Amount of new policies

(Yen in millions)

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

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

Annualized Premiums

(1) Amount of policies in force

(Yen in millions)

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

(2) Amount of new policies

(Yen in millions)

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

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

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

Summary of Non-Consolidated Results of Operations

(Yen in millions)

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

Solvency Margin Ratio (Non-Consolidated)

(Yen in millions)

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