

[Translation]

SUMMARY OF FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED DECEMBER 31, 2013

February 14, 2014

Name of Listed Company: **MS&AD Insurance Group Holdings, Inc.**
 Stock Exchange Listing: Tokyo Stock Exchange and Nagoya Stock Exchange
 Securities Code Number: 8725
 URL: <http://www.ms-ad-hd.com>
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Scheduled date to file the quarterly financial report: February 14, 2014
 Scheduled date to commence dividend payments: -
 Explanatory material for business results: Available
 IR Conference (for institutional investors and analysts): To be held

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

1. Consolidated Financial Highlights for the Nine Months Ended December 31, 2013 (April 1, 2013 to December 31, 2013)

(1) Consolidated business performance (Yen in millions)

	Ordinary income		Ordinary profit/(loss)		Net income/(loss)	
Nine months ended December 31, 2013	3,292,620	6.8 %	237,100	62.5 %	159,587	69.1 %
Nine months ended December 31, 2012	3,084,318	2.8 %	145,875	- %	94,368	- %

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

(Note) Comprehensive income/(loss) For the nine months ended December 31, 2013: ¥ 495,654 million 198.3 %
 For the nine months ended December 31, 2012: ¥ 166,164 million - %
 (Yen)

	Net income/(loss) per share - Basic	Net income/(loss) per share - Diluted
Nine months ended December 31, 2013	257.05	-
Nine months ended December 31, 2012	151.74	-

(2) Consolidated financial conditions (Yen in millions)

	Total assets	Net assets	Ratio of net assets less minority interests to total assets
December 31, 2013	16,895,806	2,448,395	14.4 %
March 31, 2013	15,914,663	2,021,625	12.6 %

(Reference) Net assets less minority interests As of December 31, 2013: ¥ 2,424,882 million
 As of March 31, 2013: ¥ 1,999,579 million

2. Dividends (Yen)

	Dividends per share				
	1st quarter	2nd quarter	3rd quarter	4th quarter	Annual total
Year ended March 31, 2013	-	27.00	-	27.00	54.00
Year ending March 31, 2014	-	28.00	-		
Year ending March 31, 2014 (Forecast)				28.00	56.00

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

3. Consolidated Earnings Forecasts for the Year Ending March 31, 2014 (April 1, 2013 to March 31, 2014)

(Yen in millions)

	Ordinary profit		Net income		Net income per share (Yen)
Year ending March 31, 2014	191,000	27.1 %	125,000	49.5 %	201.41

Percent figures represent changes from the preceding year.

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

*** Notes**

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

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

(Note) For details, please refer to "(1) Adoption of special accounting methods allowed to be applied to quarterly consolidated financial statements" on page 2 of the Appendix.

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

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

2. Changes in accounting policies other than above: Yes

3. Changes in accounting estimates: None

4. Restatements: None

(Note) For details, please refer to "(2) Changes in accounting policies and accounting estimates and restatements" on page 2 of the Appendix.

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

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

As of December 31, 2013: 633,291,754 shares

As of March 31, 2013: 633,291,754 shares

2. Number of shares of treasury stock

As of December 31, 2013: 13,376,754 shares

As of March 31, 2013: 11,403,482 shares

3. Average number of shares of outstanding stock

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

For the nine months ended December 31, 2012: 621,898,129 shares

* Disclosure regarding the execution of the quarterly review process

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

* Notes to the earnings forecasts

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

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1. Qualitative Information on Business Results

(1) Explanation for business performance

Although there still remains a domestic economic downside risk posed by uncertainties over the global economy, the Japanese economy has been on a gradual recovery trend during the nine months ended December 31, 2013 with an improvement in corporate earnings, a pickup in capital expenditures and a growth in consumer spending.

In this business environment, the business performances of the Group for the nine months ended December 31, 2013 were as follows.

Underwriting income was ¥2,694.3 billion (of which net premiums written were ¥2,105.4 billion), investment income was ¥591.4 billion and other ordinary income was ¥6.8 billion, resulting in total ordinary income of ¥3,292.6 billion. Ordinary expenses amounted to ¥3,055.5 billion. This breaks down into underwriting expenses of ¥2,611.7 billion (of which net claims paid were ¥1,245.9 billion), investment expenses of ¥27.6 billion, operating expenses and general and administrative expenses of ¥397.5 billion and other ordinary expenses of ¥18.5 billion.

As a result, the Company posted an ordinary profit of ¥237.1 billion, marking an increase of ¥91.2 billion from the same period last year when a large number of impairment losses on securities were posted. After factoring in extraordinary income and losses, income taxes and other factors, net income of ¥159.5 billion was reported with an increase of ¥65.2 billion year on year.

(2) Explanation for financial conditions

As of December 31, 2013, total assets stood at ¥16,895.8 billion with an increase of ¥981.1 billion from March 31, 2013 mainly due to an increase in investments in securities stemming from a rise in stock prices, and net assets stood at ¥2,448.3 billion with an increase of ¥426.7 billion from March 31, 2013 mainly due to an increase in net unrealized gains on investments in securities.

(3) Explanation for future forecast information including consolidated earnings forecasts

The Company keeps the previously announced forecasts of ordinary profit of ¥191.0 billion and net income of ¥125.0 billion for the year ending March 31, 2014 unchanged.

2. Notes to Summary of Financial Statements

(1) Adoption of special accounting methods allowed to be applied to quarterly consolidated financial statements

(Calculation of income tax expenses)

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

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

(Changes in accounting policies)

As "Accounting Standard for Retirement Benefits" (ASBJ Statement No. 26, May 17, 2012, hereinafter referred to as the "Retirement Benefits Accounting Standard") and "Guidance on Accounting Standard for Retirement Benefits" (ASBJ Guidance No. 25, May 17, 2012, hereinafter referred to as the "Guidance on Retirement Benefits") became applicable from the start of the consolidated fiscal year commencing on or after April 1, 2013, the Company has adopted them since the first quarter of the current consolidated fiscal year (subject to the provisions set forth in Clause 35 of the Retirement Benefits Accounting Standard and Clause 67 of the Guidance on Retirement Benefits) and made changes in the method of attributing expected benefit to periods from the straight-line basis to the benefit formula basis after reviewing the calculation methods of retirement benefit obligations and service costs.

In accordance with the transitional accounting treatments set forth in Clause 37 of the Retirement Benefits Accounting Standard, the Company has made adjustments to the beginning balance of the retained earnings for the nine months ended December 31, 2013 by factoring in the effects arising from the changes in the calculation methods of retirement benefit obligations and service costs.

As a result, the beginning balance of the retained earnings for the nine months ended December 31, 2013 decreased by ¥30,261 million, and both ordinary profit and income before income taxes and minority interests for the nine months ended December 31, 2013 increased by ¥232 million.

3. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Yen in millions)

	March 31, 2013	December 31, 2013
Assets		
Cash, deposits and savings	536,383	510,801
Call loans	99,709	113,673
Receivables under resale agreements	48,545	87,334
Receivables under securities borrowing transactions	224,025	210,981
Monetary claims bought	93,013	142,989
Money trusts	898,510	680,484
Investments in securities	11,398,945	12,674,742
Loans	867,063	817,480
Tangible fixed assets	488,069	484,190
Intangible fixed assets	177,693	181,223
Other assets	919,857	863,884
Deferred tax assets	132,741	96,237
Customers' liabilities under acceptances and guarantees	39,500	47,500
Bad debt reserve	(9,394)	(15,717)
Total assets	15,914,663	16,895,806
Liabilities		
Policy liabilities:	12,544,284	12,894,155
Outstanding claims	1,384,650	1,395,312
Underwriting reserves	11,159,633	11,498,842
Bonds issued	291,176	291,183
Other liabilities	790,243	867,365
Reserve for pension and retirement benefits	111,130	163,502
Reserve for retirement benefits for officers	1,316	1,152
Accrued bonuses for employees	20,234	2,067
Reserves under the special laws:	33,953	38,391
Reserve for price fluctuation	33,953	38,391
Deferred tax liabilities	61,197	142,091
Acceptances and guarantees	39,500	47,500
Total liabilities	13,893,038	14,447,411
Net assets		
Shareholders' equity:		
Common stock	100,000	100,000
Capital surplus	682,752	682,752
Retained earnings	353,506	451,454
Treasury stock	(24,823)	(29,887)
Total shareholders' equity	1,111,435	1,204,319
Accumulated other comprehensive income/(loss):		
Net unrealized gains/(losses) on investments in securities	891,253	1,195,434
Net deferred gains/(losses) on hedges	26,428	20,580
Foreign currency translation adjustments	(29,539)	4,547
Total accumulated other comprehensive income/(loss)	888,143	1,220,563
Minority interests	22,046	23,512
Total net assets	2,021,625	2,448,395
Total liabilities and net assets	15,914,663	16,895,806

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

(Yen in millions)

	Nine months ended December 31, 2012	Nine months ended December 31, 2013
Ordinary income:	3,084,318	3,292,620
Underwriting income:	2,705,984	2,694,391
Net premiums written	1,976,298	2,105,487
Deposit premiums from policyholders	129,456	117,982
Investment income on deposit premiums from policyholders	42,433	39,539
Life insurance premiums	489,418	408,070
Reversal of outstanding claims	58,861	15,308
Investment income:	373,163	591,412
Interest and dividends income	148,410	167,293
Investment gains on money trusts	97,439	20,917
Gains on sales of securities	42,121	55,505
Gains on derivative transactions	3,248	3,646
Investment gains on separate accounts	121,570	373,183
Transfer of investment income on deposit premiums from policyholders	(42,433)	(39,539)
Other ordinary income	5,170	6,815
Ordinary expenses:	2,938,443	3,055,519
Underwriting expenses:	2,476,838	2,611,764
Net claims paid	1,303,454	1,245,984
Loss adjustment expenses	100,854	106,352
Commissions and collection expenses	382,123	413,616
Maturity refunds to policyholders	307,277	252,466
Life insurance claims	152,623	259,737
Provision for underwriting reserves	226,450	329,489
Investment expenses:	78,279	27,649
Investment losses on money trusts	36	15,163
Losses on sales of securities	7,696	3,593
Impairment losses on securities	61,324	3,907
Operating expenses and general and administrative expenses	371,871	397,594
Other ordinary expenses:	11,949	18,510
Interest expense	5,894	6,186
Deferred expenses under Article 113 of the Insurance Business Act	(496)	-
Ordinary profit/(loss)	<u>145,875</u>	<u>237,100</u>
Extraordinary income:	1,486	2,053
Gains on sales of fixed assets	1,213	2,053
Reversal of reserves under the special law:	272	-
Reversal of reserve for price fluctuation	272	-
Extraordinary losses:	3,489	7,676
Losses on sales of fixed assets	2,459	2,766
Impairment losses on fixed assets	1,030	471
Provision for reserves under the special law:	-	4,437
Provision for reserve for price fluctuation	-	4,437
Income/(loss) before income taxes and minority interests	<u>143,872</u>	<u>231,477</u>
Income taxes	48,305	70,286
Income/(loss) before minority interests	<u>95,567</u>	<u>161,191</u>
Minority interests	1,198	1,604
Net income/(loss)	<u>94,368</u>	<u>159,587</u>

(Consolidated Statements of Comprehensive Income)

(Yen in millions)

	Nine months ended December 31, 2012	Nine months ended December 31, 2013
Income/(loss) before minority interests	95,567	161,191
Other comprehensive income/(loss):		
Net unrealized gains/(losses) on investments in securities	60,571	304,219
Net deferred gains/(losses) on hedges	4,034	(5,848)
Foreign currency translation adjustments	6,372	37,079
Share of other comprehensive income/(loss) of equity method investments	(382)	(988)
Total other comprehensive income/(loss)	<u>70,596</u>	<u>334,462</u>
Total comprehensive income/(loss)	<u>166,164</u>	<u>495,654</u>
Allocation:		
Comprehensive income/(loss) attributable to shareholders of the parent	164,908	493,021
Comprehensive income/(loss) attributable to minority interests	1,255	2,632

(3) Notes to Consolidated Financial Statements

(Notes to Going Concern Assumptions)

Not applicable.

(Notes to Significant Changes in Shareholders' Equity)

Not applicable.

Explanatory Material for Business Results

1. Summary of Consolidated Business Results

(1) Consolidated Business Performance

(Yen in 100 millions)

	Items	Nine months ended December 31, 2012	Nine months ended December 31, 2013	Change	Change ratio (%)
Ordinary income and expenses:					
Underwriting income:	1	27,065	26,929	(136)	(0.5)
Net premiums written	2	19,768	21,040	1,271	6.4
Deposit premiums from policyholders	3	1,294	1,179	(114)	(8.9)
Life insurance premiums	4	4,894	4,080	(813)	(16.6)
Reversal of outstanding claims	5	588	153	(435)	(74.0)
Underwriting expenses:	6	24,774	26,103	1,328	5.4
Net claims paid	7	13,034	12,459	(574)	(4.4)
Loss adjustment expenses	8	1,008	1,063	54	5.5
Commission and collection expenses	9	3,821	4,136	314	8.2
Maturity refunds to policyholders	10	3,072	2,524	(548)	(17.8)
Life insurance claims	11	1,526	2,597	1,071	70.2
Provision for underwriting reserves	12	2,270	3,280	1,009	44.5
Investment income:	13	3,731	5,914	2,182	58.5
Interest and dividends income	14	1,484	1,672	188	12.7
Investment gains on money trusts	15	974	209	(765)	(78.5)
Gains on sales of securities	16	421	555	133	31.8
Gains on derivative transactions	17	32	36	3	12.3
Investment gains on separate accounts	18	1,215	3,731	2,516	207.0
Investment expenses:	19	782	276	(506)	(64.7)
Investment losses on money trusts	20	0	151	151	41,530.5
Losses on sales of securities	21	76	35	(41)	(53.3)
Impairment losses on securities	22	613	39	(574)	(93.6)
Operating expenses and general and administrative expenses	23	3,718	3,975	257	6.9
Other ordinary income and expenses:	24	(67)	(116)	(49)	-
Gains/(losses) on equity method investments	25	(26)	(37)	(10)	-
Deferred expenses under Article 113 of the Insurance Business Act	26	(4)	-	4	-
Ordinary profit/(loss)	27	1,458	2,371	912	62.5
Extraordinary income and losses:					
Extraordinary income	28	14	20	5	38.1
Extraordinary losses	29	34	76	41	120.0
Extraordinary income and losses	30	(20)	(56)	(36)	-
Income/(loss) before income taxes and minority interests	31	1,438	2,314	876	60.9
Income taxes	32	483	702	219	45.5
Income/(loss) before minority interests	33	955	1,611	656	68.7
Minority interests	34	11	16	4	33.8
Net income/(loss)	35	943	1,595	652	69.1

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

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

(Yen in 100 millions)

	Items	Nine months ended December 31, 2012	Nine months ended December 31, 2013	Change	Change ratio (%)
Net premiums written ^{Note 1}	1	19,768	21,040	1,271	6.4
Mitsui Sumitomo Insurance ^{Note 1}	2	9,801	10,309	508	5.2
Aioi Nissay Dowa Insurance	3	8,295	8,619	324	3.9
Mitsui Direct General Insurance	4	257	259	1	0.6
Overseas insurance subsidiaries	5	1,412	1,825	412	29.2
Ordinary profit/(loss)	6	1,458	2,371	912	62.5
Mitsui Sumitomo Insurance	7	851	1,242	390	45.8
Aioi Nissay Dowa Insurance	8	274	598	324	118.4
Net income/(loss)	9	943	1,595	652	69.1
Mitsui Sumitomo Insurance	10	605	878	273	45.2
Aioi Nissay Dowa Insurance	11	147	413	265	180.0
Mitsui Direct General Insurance	12	4	1	(3)	(77.1)
Mitsui Sumitomo Aioi Life Insurance	13	20	54	34	169.9
Mitsui Sumitomo Primary Life Insurance	14	185	228	42	23.0
Overseas insurance subsidiaries	15	118	193	74	63.2
Others	16	0	19	19	4,265.6
Consolidation adjustments and holding company	17	(138)	(192)	(53)	-

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

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

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

(Yen in 100 millions)

	Items	Nine months ended December 31, 2012	Nine months ended December 31, 2013	Change	Change ratio (%)
Net premiums written	1	1,412	1,825	412	29.2
Asia	2	690	892	201	29.3
Europe	3	374	508	134	35.9
Americas	4	207	270	62	30.3
Reinsurance	5	140	153	13	9.3
Net income/(loss)	6	118	193	74	63.2
Asia	7	64	76	12	19.8
Europe	8	6	40	33	488.1
Americas	9	5	12	6	117.7
Reinsurance	10	41	63	22	53.2

(4) Summary of Results of Domestic Life Insurance Business

(Yen in 100 millions)

	Items	Nine months ended December 31, 2012	Nine months ended December 31, 2013	Change	Change ratio (%)	Year ended March 31, 2013
Amount of new policies						
	Mitsui Sumitomo Aioi Life Insurance	26,370	20,120	(6,249)	(23.7)	37,105
	Mitsui Sumitomo Primary Life Insurance	3,316	5,485	2,168	65.4	4,322
Amount of policies in force						
	Mitsui Sumitomo Aioi Life Insurance	194,098	208,455	7,709	3.8	200,746
	Mitsui Sumitomo Primary Life Insurance	34,228	39,367	2,752	7.5	36,614
Annualized premiums for policies in force						
	Mitsui Sumitomo Aioi Life Insurance	3,075	3,286	112	3.5	3,174
	Mitsui Sumitomo Primary Life Insurance	4,493	4,364	22	0.5	4,342

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

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

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

(1) Business Performance

(Yen in 100 millions)

	Items	Nine months ended December 31, 2012	Nine months ended December 31, 2013	Change	Change ratio
					%
(+)	Net premiums written	9,801	10,309	508	5.2
(-)	Net claims paid	6,620	6,181	(438)	(6.6)
(-)	Loss adjustment expenses	563	594	31	5.5
(-)	Commissions and collection expenses	1,712	1,785	73	4.3
(-)	Operating expenses and general and administrative expenses for underwriting	1,452	1,487	35	2.4
	Underwriting profit/(loss) before movements in reserves	(547)	260	807	-
(-)	Movement in outstanding claims	(490)	(143)	347	-
(-)	Movement in ordinary underwriting reserves	(11)	149	160	-
(-)	Movement in catastrophe reserve	(552)	(78)	473	-
(+)	Other	84	38	(45)	(53.9)
	Underwriting profit/(loss)	591	371	(220)	(37.2)
(+)	Interest and dividends income	777	902	125	16.2
(-)	Transfer of investment income on deposit premiums from policyholders	333	310	(23)	(7.0)
	Net interest and dividends income (item 12 - item 13)	443	592	149	33.6
(+)	Gains/(losses) on sales of securities	256	335	78	30.8
(-)	Impairment losses on securities	348	15	(333)	(95.7)
(+)	Gains/(losses) on derivative transactions	66	93	26	39.3
(+)	Other	(92)	(19)	72	-
	Investment profit/(loss)	326	986	660	202.2
(+)	Other ordinary profit/(loss)	(66)	(115)	(49)	-
	Ordinary profit/(loss)	851	1,242	390	45.8
(+)	Extraordinary income/(loss):	1	(25)	(27)	(1,520.2)
	Reserve for price fluctuation	7	(19)	(26)	(353.5)
	Income/(loss) before income taxes	853	1,216	363	42.5
(-)	Income taxes	248	338	89	36.1
	Net income/(loss)	605	878	273	45.2

Ratios	Net loss ratio	27	73.3 %	65.7 %	(7.6) %
	Net expense ratio	28	32.3 %	31.8 %	(0.5) %
	Combined ratio	29	105.6 %	97.5 %	(8.1) %

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

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

	Net premiums written	30	8,612	9,014	401	4.7
Ratios	Net loss ratio	31	70.4 %	62.7 %	(7.7) %	
	Net expense ratio	32	34.0 %	33.7 %	(0.3) %	
	Combined ratio	33	104.4 %	96.4 %	(8.0) %	

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

(2) Premiums written

(Yen in 100 millions)

	Net premiums written				Direct premiums written (excluding deposit premiums from policyholders)			
	Nine months ended December 31, 2012		Nine months ended December 31, 2013		Nine months ended December 31, 2012		Nine months ended December 31, 2013	
	Amount	Change ratio %	Amount	Change ratio %	Amount	Change ratio %	Amount	Change ratio %
Fire and allied	1,335	(0.2)	1,518	13.7	1,878	8.0	2,038	8.5
Marine	400	0.4	431	7.8	522	1.6	583	11.7
Personal accident	1,058	2.7	1,068	0.9	1,108	2.7	1,123	1.4
Voluntary automobile	4,433	3.7	4,561	2.9	4,452	3.9	4,581	2.9
CALI	1,180	9.4	1,289	9.2	1,134	4.8	1,274	12.3
Other	1,393	3.4	1,439	3.3	1,508	4.5	1,594	5.7
Total	9,801	3.5	10,309	5.2	10,604	4.5	11,196	5.6

(3) Net claims paid

(Yen in 100 millions)

	Nine months ended December 31, 2012			Nine months ended December 31, 2013			
	Amount	Change ratio %	Net loss ratio %	Amount	Change ratio %	Net loss ratio %	Change %
Fire and allied	1,449	(28.2)	111.0	1,077	(25.7)	73.2	(37.8)
Marine	201	(12.8)	53.9	239	18.8	58.8	4.9
Personal accident	572	0.9	60.4	596	4.1	62.7	2.3
Voluntary automobile	2,706	(2.9)	68.2	2,590	(4.3)	64.0	(4.2)
CALI	1,030	(0.6)	95.2	1,022	(0.8)	87.0	(8.2)
Other	659	(0.2)	50.3	654	(0.7)	48.4	(1.9)
Total	6,620	(9.3)	73.3	6,181	(6.6)	65.7	(7.6)

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

(Reference) Incurred losses caused by natural disasters in Japan

(Yen in 100 millions)

	Nine months ended December 31, 2012			Nine months ended December 31, 2013		
	Incurred losses	Net claims paid	Movement in outstanding claims	Incurred losses	Net claims paid	Movement in outstanding claims
Fire and allied	239	210	29	169	109	59
Voluntary automobile	33	31	1	27	26	0
Other	23	12	11	22	9	13
Total	296	254	42	219	145	74

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

Net claims paid including claims in previous years (excluding claims relating to the Great East Japan Earthquake) are ¥29.1 billion (¥24.1 billion in Fire and allied, ¥3.2 billion in Voluntary automobile and ¥1.7 billion in Other) during the nine months ended December 31, 2012 and ¥17.5 billion (¥13.0 billion in Fire and allied, ¥2.8 billion in Voluntary automobile and ¥1.6 billion in Other) during the nine months ended December 31, 2013.

(Reference) Incurred losses caused by flooding in Thailand

(Yen in 100 millions)

	Nine months ended December 31, 2012			Nine months ended December 31, 2013		
	Incurred losses	Net claims paid	Movement in outstanding claims	Incurred losses	Net claims paid	Movement in outstanding claims
Incurred losses	(89)	517	(606)	(148)	271	(420)

(Notes) 1. Movement in outstanding claims represents provision as a positive number and reversal as a negative number.

2. Incurred losses include influence of exchange rate fluctuations.

(4) Expenses

(Yen in 100 millions)

<Company expenses>

	Items	Nine months ended December 31, 2012			Nine months ended December 31, 2013		
		Amount	Change	Change ratio %	Amount	Change	Change ratio %
Personnel expenses	1	1,176	(14)	(1.2)	1,170	(6)	(0.5)
Non-personnel expenses	2	812	(0)	(0.0)	887	74	9.2
Taxes and contributions	3	93	(1)	(1.8)	97	3	3.8
Total	4	2,083	(16)	(0.8)	2,155	72	3.5

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

<Expenses for underwriting>

(Yen in 100 millions)

	Items	Nine months ended December 31, 2012			Nine months ended December 31, 2013		
		Amount	Change	Change ratio %	Amount	Change	Change ratio %
Operating expenses and general and administrative expenses	5	1,452	(20)	(1.4)	1,487	35	2.4
Commissions and collection expenses	6	1,712	51	3.1	1,785	73	4.3
Total	7	3,164	30	1.0	3,273	108	3.4
Net expense ratio	8	32.3 %	(0.8) %		31.8 %	(0.5) %	

(5) Catastrophe reserve

(Yen in 100 millions)

	March 31, 2013		December 31, 2013			
	Balance	Reserve ratio	Reversal	Provision	Balance	Reserve ratio
		%				%
Fire and allied	1,110	59.4	211	136	1,036	51.4
Marine	667	124.4	-	19	687	119.4
Personal accident	650	45.5	72	33	611	43.0
Voluntary automobile	189	3.2	189	146	146	2.4
Other	1,388	76.3	19	78	1,446	75.4
Total	4,006	34.7	492	413	3,928	32.7

(Note) Reserve ratio = catastrophe reserve / net premiums written (excluding premiums of residential earthquake insurance and CALI and Good Result Return premiums of the automobile insurance product "ModoRich") x 100
The calculation for the reserve ratio as of December 31, 2013 has been made using four thirds of the net premiums written for the nine months ended December 31, 2013 as a denominator.

(6) Investment assets

(Yen in 100 millions)

	March 31, 2013	December 31, 2013	
			Change
Cash, deposits and savings	4,001	4,590	588
Investments in securities	41,179	45,730	4,550
Domestic bonds	17,151	17,671	520
Stock	16,406	19,869	3,462
Foreign securities	7,388	7,991	602
Other securities	232	198	(33)
Loans	5,760	5,488	(272)
Land and buildings	2,230	2,270	39
Total	53,172	58,078	4,906

(Reference)

Long-term investment assets	16,257	15,594	(662)
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(7) Breakdown of interest and dividends income

(Yen in 100 millions)

	Nine months ended December 31, 2012	Nine months ended December 31, 2013	
			Change
Investments in securities	620	768	148
Domestic bonds	196	185	(10)
Stock	292	337	45
Foreign securities	113	212	98
Other securities	18	33	15
Loans	76	65	(11)
Land and buildings	40	47	7
Other	39	21	(18)
Total	777	902	125

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

(Yen in 100 millions)

December 31, 2013	Cost	Fair value	Difference	Change from March 31, 2013
Domestic bonds	16,877	17,671	793	(311)
Stock	6,983	19,246	12,262	3,685
Foreign securities	2,893	3,117	224	31
Other securities	1,523	1,588	64	(11)
Total	28,278	41,623	13,345	3,393

(Yen in 100 millions)

March 31, 2013	Cost	Fair value	Difference
Domestic bonds	16,045	17,151	1,105
Stock	7,124	15,701	8,576
Foreign securities	2,388	2,581	193
Other securities	1,071	1,147	76
Total	26,631	36,582	9,951

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

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

Gains and losses on sales of securities

(Yen in 100 millions)

	Nine months ended December 31, 2012 Gains/(losses)	Nine months ended December 31, 2013 Gains/(losses)		
		Gains	Losses	
Domestic bonds	15	28	33	4
Stock	241	301	301	0
Foreign securities	(0)	5	10	5
Other securities	-	(0)	-	0
Total	256	335	345	10

Impairment losses on securities

(Yen in 100 millions)

	Nine months ended December 31, 2012	Nine months ended December 31, 2013	
		Change	
Domestic bonds	0	-	(0)
Stock	346	6	(339)
Foreign securities	1	4	3
Other securities	0	4	4
Total	348	15	(333)

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

(1) Business Performance

(Yen in 100 millions)

	Items	Nine months ended December 31, 2012	Nine months ended December 31, 2013	Change	Change ratio %
(+)	Net premiums written	8,295	8,619	324	3.9
(-)	Net claims paid	5,478	5,165	(312)	(5.7)
(-)	Loss adjustment expenses	387	394	6	1.7
(-)	Commissions and collection expenses	1,480	1,552	71	4.9
(-)	Operating expenses and general and administrative expenses for underwriting	1,328	1,395	67	5.1
	Underwriting profit/(loss) before movements in reserves	(380)	111	491	-
(-)	Movement in outstanding claims	(127)	40	167	-
(-)	Movement in ordinary underwriting reserves	(145)	5	151	-
(-)	Movement in catastrophe reserve	(279)	(20)	258	-
(+)	Other	52	56	3	7.4
	Underwriting profit/(loss)	224	142	(82)	(36.5)
(+)	Interest and dividends income	450	505	55	12.2
(-)	Transfer of investment income on deposit premiums from policyholders	153	145	(8)	(5.4)
	Net interest and dividends income (item 12 - item 13)	297	360	63	21.3
(+)	Gains/(losses) on sales of securities	70	159	88	124.5
(-)	Impairment losses on securities	163	22	(141)	(86.6)
(+)	Gains/(losses) on derivative transactions	(18)	(8)	9	-
(+)	Other	(128)	(52)	76	-
	Investment profit/(loss)	56	436	379	667.2
(+)	Other ordinary profit/(loss)	(7)	19	26	-
	Ordinary profit/(loss)	274	598	324	118.4
(+)	Extraordinary income/(loss):	(11)	(10)	0	-
	Reserve for price fluctuation	4	(12)	(17)	(349.5)
	Income/(loss) before income taxes	262	588	325	124.0
(-)	Income taxes	114	174	59	52.0
	Net income/(loss)	147	413	265	180.0

Ratios	Net loss ratio	27	70.7 %	64.5 %	(6.2) %	
	Net expense ratio	28	33.9 %	34.2 %	0.3 %	
	Combined ratio	29	104.6 %	98.7 %	(5.9) %	

- (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	7,142	7,392	250	3.5
Ratios	Net loss ratio	31	67.3 %	61.1 %	(6.2) %	
	Net expense ratio	32	35.4 %	36.1 %	0.7 %	
	Combined ratio	33	102.7 %	97.2 %	(5.5) %	

(2) Premiums written

(Yen in 100 millions)

	Net premiums written				Direct premiums written (excluding deposit premiums from policyholders)			
	Nine months ended December 31, 2012		Nine months ended December 31, 2013		Nine months ended December 31, 2012		Nine months ended December 31, 2013	
	Amount	Change ratio %	Amount	Change ratio %	Amount	Change ratio %	Amount	Change ratio %
Fire and allied	935	4.8	997	6.7	1,425	7.3	1,504	5.5
Marine	70	9.1	83	17.6	71	1.7	75	5.3
Personal accident	553	(0.4)	561	1.4	582	(0.8)	585	0.6
Voluntary automobile	4,839	2.0	4,968	2.7	4,749	2.1	4,842	1.9
CALI	1,147	6.8	1,222	6.6	1,228	2.3	1,359	10.6
Other	749	0.0	786	5.0	968	(4.4)	949	(1.9)
Total	8,295	2.6	8,619	3.9	9,026	2.0	9,317	3.2

(3) Net claims paid

(Yen in 100 millions)

	Nine months ended December 31, 2012			Nine months ended December 31, 2013			
	Amount	Change ratio %	Net loss ratio %	Amount	Change ratio %	Net loss ratio %	Change %
Fire and allied	772	(44.1)	85.0	606	(21.5)	63.1	(21.9)
Marine	37	8.2	55.5	42	15.3	53.6	(1.9)
Personal accident	263	(2.5)	50.9	257	(2.5)	48.9	(2.0)
Voluntary automobile	2,986	(2.1)	66.6	2,888	(3.3)	63.0	(3.6)
CALI	972	(0.1)	92.1	956	(1.7)	85.3	(6.8)
Other	445	(8.9)	62.4	414	(6.9)	55.7	(6.7)
Total	5,478	(11.7)	70.7	5,165	(5.7)	64.5	(6.2)

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

(Reference) Incurred losses caused by natural disasters in Japan

(Yen in 100 millions)

	Nine months ended December 31, 2012			Nine months ended December 31, 2013		
	Incurred losses	Net claims paid	Movement in outstanding claims	Incurred losses	Net claims paid	Movement in outstanding claims
Fire and allied	177	160	16	103	82	21
Voluntary automobile	34	33	1	27	26	0
Other	7	5	1	7	3	4
Total	219	199	19	139	112	26

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

Net claims paid including claims in previous years (excluding claims relating to the Great East Japan Earthquake) are ¥21.6 billion (¥17.5 billion in Fire and allied, ¥3.3 billion in Voluntary automobile and ¥0.7 billion in Other) during the nine months ended December 31, 2012 and ¥12.4 billion (¥9.2 billion in Fire and allied, ¥2.8 billion in Voluntary automobile and ¥0.4 billion in Other) during the nine months ended December 31, 2013.

(Reference) Incurred losses caused by flooding in Thailand

(Yen in 100 millions)

	Nine months ended December 31, 2012			Nine months ended December 31, 2013		
	Incurred losses	Net claims paid	Movement in outstanding claims	Incurred losses	Net claims paid	Movement in outstanding claims
Incurred losses	(23)	61	(84)	(18)	31	(49)

(Notes) 1. Movement in outstanding claims represents provision as a positive number and reversal as a negative number.

2. Incurred losses include influence of exchange rate fluctuations.

(4) Expenses

<Company expenses>

(Yen in 100 millions)

	Items	Nine months ended December 31, 2012			Nine months ended December 31, 2013		
		Amount	Change	Change ratio %	Amount	Change	Change ratio %
Personnel expenses	1	909	(48)	(5.0)	913	4	0.5
Non-personnel expenses	2	779	(47)	(5.8)	843	64	8.3
Taxes and contributions	3	82	(3)	(4.0)	86	3	4.4
Total	4	1,771	(99)	(5.3)	1,843	72	4.1

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

<Expenses for underwriting>

(Yen in 100 millions)

	Items	Nine months ended December 31, 2012			Nine months ended December 31, 2013		
		Amount	Change	Change ratio %	Amount	Change	Change ratio %
Operating expenses and general and administrative expenses	5	1,328	(84)	(6.0)	1,395	67	5.1
Commissions and collection expenses	6	1,480	41	2.9	1,552	71	4.9
Total	7	2,809	(42)	(1.5)	2,948	139	5.0
Net expense ratio	8	33.9 %	(1.4) %		34.2 %	0.3 %	

(5) Catastrophe reserve

(Yen in 100 millions)

	March 31, 2013		December 31, 2013			
	Balance	Reserve ratio	Reversal	Provision	Balance	Reserve ratio
		%				%
Fire and allied	1,096	87.3	98	79	1,077	81.3
Marine	133	139.1	-	3	137	123.8
Personal accident	566	78.7	-	17	584	78.1
Voluntary automobile	207	3.2	207	160	160	2.4
Other	496	50.8	16	40	520	49.6
Total	2,500	26.3	323	302	2,479	25.2

(Note) Reserve ratio = catastrophe reserve / net premiums written (excluding premiums of residential earthquake insurance and CALI) x 100
The calculation for the reserve ratio as of December 31, 2013 has been made using four thirds of the net premiums written for the nine months ended December 31, 2013 as a denominator.

(6) Investment assets

(Yen in 100 millions)

	March 31, 2013	December 31, 2013	
			Change
Cash, deposits and savings	950	1,182	231
Investments in securities	22,927	24,276	1,348
Domestic bonds	9,505	9,550	45
Stock	6,620	7,545	924
Foreign securities	6,396	6,755	359
Other securities	405	424	19
Loans	2,466	2,242	(223)
Land and buildings	1,755	1,714	(40)
Total	28,099	29,416	1,316
(Reference)			
Long-term investment assets	6,114	5,797	(317)

(7) Breakdown of interest and dividends income

(Yen in 100 millions)

	Nine months ended December 31, 2012	Nine months ended December 31, 2013	
			Change
Investments in securities	377	439	61
Domestic bonds	69	78	8
Stock	139	160	21
Foreign securities	149	188	39
Other securities	19	11	(7)
Loans	33	27	(6)
Land and buildings	36	34	(1)
Other	3	4	0
Total	450	505	55

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

(Yen in 100 millions)

December 31, 2013	Cost	Fair value	Difference	Change from
				March 31, 2013
Domestic bonds	9,254	9,550	295	(87)
Stock	4,316	7,268	2,952	1,002
Foreign securities	5,974	6,284	310	87
Other securities	257	323	65	37
Total	19,802	23,426	3,623	1,039

(Yen in 100 millions)

March 31, 2013	Cost	Fair value	Difference
Domestic bonds	9,121	9,505	383
Stock	4,377	6,327	1,949
Foreign securities	5,738	5,961	223
Other securities	308	336	27
Total	19,546	22,130	2,584

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

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

Gains and losses on sales of securities

(Yen in 100 millions)

	Nine months ended December 31, 2012 Gains/(losses)	Nine months ended December 31, 2013		
		Gains/(losses)	Gains	Losses
Domestic bonds	31	12	12	0
Stock	22	118	122	4
Foreign securities	17	28	35	6
Other securities	-	-	-	-
Total	70	159	169	10

Impairment losses on securities

(Yen in 100 millions)

	Nine months ended December 31, 2012	Nine months ended December 31, 2013	Change
Domestic bonds	-	-	-
Stock	156	16	(139)
Foreign securities	7	5	(2)
Other securities	-	-	-
Total	163	22	(141)

4. Supplementary Information

(1) Supplementary Information on Consolidated Business Results

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

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

(Yen in millions)

Lines of Insurance	Nine months ended December 31, 2012			Nine months ended December 31, 2013		
	Amount	Share %	Change ratio %	Amount	Share %	Change ratio %
Fire and allied	408,912	17.8	6.3	441,756	18.2	8.0
Marine	81,453	3.6	0.7	92,677	3.8	13.8
Personal accident	271,387	11.8	(2.4)	266,610	11.0	(1.8)
Voluntary automobile	996,801	43.5	2.9	1,036,324	42.7	4.0
CALI	236,360	10.3	3.5	263,460	10.8	11.5
Other	298,324	13.0	1.7	327,975	13.5	9.9
Total:	2,293,239	100.0	2.6	2,428,804	100.0	5.9
Deposit premiums from policyholders	129,456	5.6	(6.7)	117,982	4.9	(8.9)

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

Voluntary Automobile	997,395		2.7	1,034,877		3.8
Total	2,293,833		2.6	2,427,358		5.8

Net Premiums Written by Line of Insurance

(Yen in millions)

Lines of Insurance	Nine months ended December 31, 2012			Nine months ended December 31, 2013		
	Amount	Share %	Change ratio %	Amount	Share %	Change ratio %
Fire and allied	258,579	13.1	2.0	291,508	13.8	12.7
Marine	65,469	3.3	(2.0)	74,009	3.5	13.0
Personal accident	167,274	8.5	1.6	170,672	8.1	2.0
Voluntary automobile	1,002,753	50.7	2.8	1,046,483	49.7	4.4
CALI	233,101	11.8	8.1	251,596	12.0	7.9
Other	249,120	12.6	1.8	271,217	12.9	8.9
Total	1,976,298	100.0	2.9	2,105,487	100.0	6.5

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

Voluntary automobile	1,003,347		2.6	1,045,036		4.2
Total	1,976,892		2.8	2,104,040		6.4

Net Claims Paid by Line of Insurance

(Yen in millions)

Lines of Insurance	Nine months ended December 31, 2012			Nine months ended December 31, 2013		
	Amount	Share %	Change ratio %	Amount	Share %	Change ratio %
Fire and allied	237,738	18.2	(32.4)	183,156	14.7	(23.0)
Marine	31,382	2.4	(11.0)	37,740	3.0	20.3
Personal accident	85,546	6.6	(0.2)	87,688	7.0	2.5
Voluntary automobile	619,138	47.5	(2.2)	604,995	48.6	(2.3)
CALI	200,649	15.4	(0.4)	198,229	15.9	(1.2)
Other	128,998	9.9	(14.9)	134,173	10.8	4.0
Total	1,303,454	100.0	(10.6)	1,245,984	100.0	(4.4)

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

(b) Available-for-Sale Securities

(Yen in millions)

Items	March 31, 2013			December 31, 2013		
	Cost	Carrying amount	Difference	Cost	Carrying amount	Difference
Domestic Bonds	3,913,187	4,145,642	232,454	4,062,583	4,236,701	174,118
Stock	1,243,047	2,208,611	965,564	1,213,659	2,652,686	1,439,026
Foreign Securities	1,190,967	1,271,389	80,421	1,368,546	1,460,010	91,464
Other Securities	142,278	151,116	8,838	183,713	195,369	11,655
Total	6,489,481	7,776,760	1,287,278	6,828,502	8,544,767	1,716,265

March 31, 2013	December 31, 2013
<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 deposit 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 ¥34,030 million on Available-for-sale securities with practically determinable fair value (comprised of ¥32,608 million on Stock, ¥1,422 million on Foreign securities and ¥0 million on Other securities) . In principle, the Company and its domestic consolidated subsidiaries recognize impairment losses on securities with practically determinable fair value if the fair value declines by 30% or more from the cost.</p>	<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 deposit 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 ¥890 million on Available-for-sale securities with practically determinable fair value (comprised of ¥758 million on Stock and ¥132 million on Foreign securities). In principle, the Company and its domestic consolidated subsidiaries recognize impairment losses on securities with practically determinable fair value if the fair value declines by 30% or more from the cost.</p>

(2) Summary of Business Results of Main Consolidated Subsidiaries

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

Non-Consolidated Balance Sheets

(Yen in millions)

Items	March 31, 2013	December 31, 2013
(Assets)		
Cash, deposits and savings	188,886	126,933
Call loans	69,000	98,000
Receivables under resale agreements	48,545	87,334
Monetary claims bought	83,966	135,994
Money trusts	9,978	10,789
Investments in securities	4,117,917	4,573,017
Loans	576,032	548,819
Tangible fixed assets	241,916	240,510
Intangible fixed assets	43,316	42,646
Other assets	487,529	399,272
Customers' liabilities under acceptances and guarantees	39,825	48,206
Bad debt reserve	(5,500)	(11,837)
Total assets	5,901,413	6,299,686
(Liabilities)		
Policy liabilities:	3,981,659	3,909,602
Outstanding claims	643,869	629,546
Underwriting reserves	3,337,789	3,280,056
Bonds issued	241,176	241,183
Other liabilities:	298,674	366,942
Income taxes payable	4,652	33,030
Lease obligations	2,064	1,974
Asset retirement obligations	5,128	5,154
Other liabilities	286,829	326,783
Reserve for pension and retirement benefits	87,390	142,404
Reserve for retirement benefits for officers	1,257	1,100
Accrued bonuses for employees	10,588	252
Reserves under the special laws:	5,151	7,086
Reserve for price fluctuation	5,151	7,086
Deferred tax liabilities	43,610	129,399
Acceptances and guarantees	39,825	48,206
Total liabilities	4,709,334	4,846,179
(Net assets)		
Common stock	139,595	139,595
Capital surplus	93,107	93,107
Retained earnings	244,565	270,143
Total shareholders' equity	477,268	502,846
Net unrealized gains/(losses) on investments in securities	688,381	930,079
Net deferred gains/(losses) on hedges	26,428	20,580
Total valuation and translation adjustments	714,810	950,660
Total net assets	1,192,079	1,453,507
Total liabilities and net assets	5,901,413	6,299,686

Non-Consolidated Statements of Income

(Yen in millions)

Items	Nine months ended December 31, 2012	Nine months ended December 31, 2013
Ordinary income:	1,395,434	1,333,606
Underwriting income:	1,313,256	1,223,080
Net premiums written	979,529	1,032,383
Deposit premiums from policyholders	94,669	87,461
Investment income on deposit premiums from policyholders	33,354	31,017
Reversal of outstanding claims	49,086	14,323
Reversal of underwriting reserves	152,505	57,733
Investment income:	80,199	108,438
Interest and dividends income	77,730	90,294
Investment gains on money trusts	54	613
Gains on sales of securities	27,456	34,564
Gains on derivative transactions	6,693	9,321
Transfer of investment income on deposit premiums from policyholders	(33,354)	(31,017)
Other ordinary income	1,978	2,087
Ordinary expenses:	1,310,240	1,209,366
Underwriting expenses:	1,109,818	1,037,565
Net claims paid	662,013	618,127
Loss adjustment expenses	56,335	59,454
Commissions and collection expenses	171,223	178,562
Maturity refunds to policyholders	219,108	180,584
Investment expenses:	42,422	3,905
Investment losses on money trusts	36	-
Losses on sales of securities	1,800	1,009
Impairment losses on securities	34,858	1,511
Operating expenses and general and administrative expenses	151,986	156,077
Other ordinary expenses:	6,012	11,817
Interest expense	5,432	5,288
Ordinary profit	85,193	124,239
Extraordinary income	1,630	1,535
Extraordinary losses	1,449	4,094
Income before income taxes	85,373	121,680
Income taxes	24,868	33,847
Net income	60,505	87,833

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, 2013	December 31, 2013
(A) Total amount of solvency margin	1,958,579	2,322,011
Total net assets	462,870	502,846
Reserve for price fluctuation	5,151	7,086
Contingency reserve	-	-
Catastrophe reserve	412,208	404,876
General bad debt reserve	1,093	1,372
Net unrealized gains/(losses) on investments in securities (prior to tax effect deductions)	896,469	1,208,068
Net unrealized gains/(losses) on land	33,406	32,333
Excess of policyholders' contract deposits (a)	-	-
Subordinated debts, etc. (b)	106,191	106,191
Amount excluded from the margin, out of (a) and (b)	-	-
Deductions	43,152	43,152
Others	84,341	102,389
(B) Total amount of risks	673,800	751,953
General insurance risk (R ₁)	111,582	112,094
Insurance risk of third sector insurance contracts (R ₂)	-	-
Assumed interest rate risk (R ₃)	20,420	19,745
Asset management risk (R ₄)	499,540	569,209
Business administration risk (R ₅)	15,167	16,734
Catastrophe risk (R ₆)	126,834	135,690
(C) Solvency margin ratio [(A) / {(B) x 1/2}] x 100	581.3%	617.5%

(Note) The non-consolidated solvency margin ratio for December 31, 2013 is calculated by partially applying the simplified method where components such as the catastrophe risk (R₆) are calculated based on the data used for September 30, 2013.

(b) Aioi Nissay Dowa Insurance Co., Ltd. (Non-consolidated)**Non-Consolidated Balance Sheets**

(Yen in millions)

Items	March 31, 2013	December 31, 2013
(Assets)		
Cash, deposits and savings	92,013	115,215
Monetary claims bought	977	678
Money trusts	2,128	2,361
Investments in securities	2,292,734	2,427,632
Loans	246,684	224,299
Tangible fixed assets	185,771	183,281
Intangible fixed assets	29,971	34,093
Other assets	280,099	258,444
Deferred tax assets	106,449	71,412
Customers' liabilities under acceptances and guarantees	2,500	2,500
Bad debt reserve	(2,479)	(2,217)
Total assets	3,236,851	3,317,702
(Liabilities)		
Policy liabilities:	2,422,522	2,393,839
Outstanding claims	473,220	477,224
Underwriting reserves	1,949,302	1,916,614
Bonds issued	50,000	50,000
Other liabilities:	182,421	192,328
Income taxes payable	2,630	17,328
Lease obligations	212	353
Asset retirement obligations	528	555
Other liabilities	179,050	174,090
Reserve for pension and retirement benefits	19,313	16,118
Accrued bonuses for employees	6,064	191
Reserves under the special laws:	1,624	2,852
Reserve for price fluctuation	1,624	2,852
Acceptances and guarantees	2,500	2,500
Total liabilities	2,684,446	2,657,830
(Net assets)		
Common stock	100,005	100,005
Capital surplus	81,210	81,210
Retained earnings	191,575	225,646
Total shareholders' equity	372,790	406,861
Net unrealized gains/(losses) on investments in securities	179,614	253,009
Total valuation and translation adjustments	179,614	253,009
Total net assets	552,405	659,871
Total liabilities and net assets	3,236,851	3,317,702

Non-Consolidated Statements of Income

(Yen in millions)

Items	Nine months ended December 31, 2012	Nine months ended December 31, 2013
Ordinary income:	1,022,938	999,612
Underwriting income:	979,711	944,052
Net premiums written	829,504	861,987
Deposit premiums from policyholders	34,786	30,520
Investment income on deposit premiums from policyholders	15,362	14,531
Reversal of outstanding claims	12,756	-
Reversal of underwriting reserves	84,949	32,687
Investment income:	41,232	53,300
Interest and dividends income	45,084	50,587
Investment gains on money trusts	0	0
Gains on sales of securities	10,749	16,985
Transfer of investment income on deposit premiums from policyholders	(15,362)	(14,531)
Other ordinary income	1,994	2,258
Ordinary expenses:	995,516	939,719
Underwriting expenses:	824,483	788,820
Net claims paid	547,851	516,570
Loss adjustment expenses	38,754	39,419
Commissions and collection expenses	148,084	155,277
Maturity refunds to policyholders	88,169	71,882
Provision for outstanding claims	-	4,003
Investment expenses:	30,947	5,151
Losses on sales of securities	3,664	1,080
Impairment losses on securities	16,390	2,203
Losses on derivative transactions	1,833	868
Operating expenses and general and administrative expenses	138,359	144,968
Other ordinary expenses:	1,725	778
Interest expense	198	569
Ordinary profit	27,422	59,893
Extraordinary income	811	881
Extraordinary losses	1,964	1,936
Income before income taxes	26,270	58,838
Income taxes	11,497	17,481
Net income	14,772	41,356

Non-Consolidated Solvency Margin Ratio

(Yen in millions)

	March 31, 2013	December 31, 2013
(A) Total amount of solvency margin	965,962	1,120,729
Total net assets	365,590	406,861
Reserve for price fluctuation	1,624	2,852
Contingency reserve	693	693
Catastrophe reserve	257,920	256,287
General bad debt reserve	379	397
Net unrealized gains/(losses) on investments in securities (prior to tax effect deductions)	233,054	328,327
Net unrealized gains/(losses) on land	2,719	2,083
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 $\sqrt{(R_1 + R_2)^2 + (R_3 + R_4)^2} + R_5 + R_6$	11,403	9,944
Others	65,383	83,169
(B) Total amount of risks	297,599	281,322
General insurance risk (R ₁)	102,694	102,743
Insurance risk of third sector insurance contracts (R ₂)	-	-
Assumed interest rate risk (R ₃)	10,421	10,154
Asset management risk (R ₄)	169,412	189,164
Business administration risk (R ₅)	7,314	7,042
Catastrophe risk (R ₆)	83,193	50,038
(C) Solvency margin ratio [(A) / {(B) x 1/2}] x 100	649.1%	796.7%

(Note) The non-consolidated solvency margin ratio for December 31, 2013 is calculated by partially applying the simplified method where components such as the catastrophe risk (R₆) are calculated based on the data used for September 30, 2013.

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

Non-Consolidated Balance Sheets

(Yen in millions)

Items	March 31, 2013	December 31, 2013
(Assets)		
Cash, deposits and savings	3,541	2,371
Investments in securities	33,674	35,372
Tangible fixed assets	308	235
Intangible fixed assets	1,960	1,612
Other assets	6,115	5,674
Bad debt reserve	(3)	(3)
Total assets	45,596	45,263
(Liabilities)		
Policy liabilities:	33,135	33,273
Outstanding claims	13,593	14,785
Underwriting reserves	19,541	18,488
Other liabilities:	1,092	773
Income taxes payable	135	44
Asset retirement obligations	12	12
Other liabilities	945	715
Accrued bonuses for employees	209	-
Reserves under the special laws:	27	31
Reserve for price fluctuation	27	31
Deferred tax liabilities	51	19
Total liabilities	34,516	34,097
(Net assets)		
Common stock	32,600	32,600
Capital surplus	2,500	2,500
Retained earnings	(24,286)	(24,133)
Total shareholders' equity	10,813	10,966
Net unrealized gains/(losses) on investments in securities	267	198
Total valuation and translation adjustments	267	198
Total net assets	11,080	11,165
Total liabilities and net assets	45,596	45,263

Non-Consolidated Statements of Income

(Yen in millions)

Items	Nine months ended December 31, 2012	Nine months ended December 31, 2013
Ordinary income:	26,912	27,120
Underwriting income:	26,794	27,012
Net premiums written	25,785	25,947
Investment income on deposit premiums from policyholders	10	11
Reversal of outstanding claims	243	-
Reversal of underwriting reserves	755	1,053
Investment income:	116	102
Interest and dividends income	126	113
Transfer of investment income on deposit premiums from policyholders	(10)	(11)
Other ordinary income	2	6
Ordinary expenses:	26,210	26,933
Underwriting expenses:	21,129	21,580
Net claims paid	19,224	18,443
Loss adjustment expenses	1,758	1,804
Commissions and collection expenses	146	140
Provision for outstanding claims	-	1,191
Investment expenses	-	-
Operating expenses and general and administrative expenses	5,080	5,351
Other ordinary expenses	0	1
Ordinary profit	701	186
Extraordinary income	-	-
Extraordinary losses	4	13
Income before income taxes	697	173
Income taxes - current	28	20
Total income taxes	28	20
Net income	668	153

Non-Consolidated Solvency Margin Ratio

(Yen in millions)

	March 31, 2013	December 31, 2013
(A) Total amount of solvency margin	12,324	12,101
Total net assets	10,813	10,966
Reserve for price fluctuation	27	31
Contingency reserve	0	0
Catastrophe reserve	1,133	843
General bad debt reserve	0	1
Net unrealized gains/(losses) on investments in securities (prior to tax effect deductions)	349	259
Net unrealized gains/(losses) on land	-	-
Excess of policyholders' contract deposits (a)	-	-
Subordinated debts, etc. (b)	-	-
Amount excluded from the margin, out of (a) and (b)	-	-
Deductions	-	-
Others	-	-
(B) Total amount of risks $\sqrt{(R_1 + R_2)^2 + (R_3 + R_4)^2} + R_5 + R_6$	5,740	5,743
General insurance risk (R ₁)	5,233	5,233
Insurance risk of third sector insurance contracts (R ₂)	-	-
Assumed interest rate risk (R ₃)	0	0
Asset management risk (R ₄)	511	533
Business administration risk (R ₅)	181	182
Catastrophe risk (R ₆)	300	300
(C) Solvency margin ratio [(A) / {(B) x 1/2}] x 100	429.4%	421.4%

(Note) The non-consolidated solvency margin ratio for December 31, 2013 is calculated by partially applying the simplified method to components such as the assumed interest rate risk (R₃).

(d) Mitsui Sumitomo Aioi Life Insurance Co., Ltd. (Non-consolidated)**Non-Consolidated Balance Sheets**

(Yen in millions)

Items	March 31, 2013	December 31, 2013
(Assets)		
Cash, deposits and savings	23,815	22,525
Call loans	707	110
Receivables under securities borrowing transactions	224,025	210,981
Investments in securities	2,102,671	2,230,533
Loans	47,656	48,754
Tangible fixed assets	2,224	1,694
Intangible fixed assets	3,297	4,258
Due from agencies	274	143
Reinsurance accounts receivable	265	77
Other assets	31,428	34,280
Bad debt reserve	(102)	(83)
Total assets	2,436,264	2,553,274
(Liabilities)		
Policy liabilities:	2,045,655	2,188,863
Outstanding claims	19,423	20,011
Policy reserves	2,019,481	2,161,812
Reserve for dividends to policyholders	6,750	7,040
Due to agencies	5,854	4,018
Reinsurance accounts payable	213	208
Other liabilities:	234,383	220,106
Payables under securities lending transactions	224,733	211,085
Income taxes payable	315	2,967
Lease obligations	1,010	823
Asset retirement obligations	174	178
Other liabilities	8,149	5,051
Reserve for pension and retirement benefits	1,437	1,541
Reserve for retirement benefits for officers	59	52
Reserves under the special laws:	3,406	3,778
Reserve for price fluctuation	3,406	3,778
Deferred tax liabilities	13,010	8,100
Total liabilities	2,304,020	2,426,670
(Net assets)		
Common stock	35,500	35,500
Capital surplus	43,688	43,688
Retained earnings	(15,672)	(10,162)
Total shareholders' equity	63,515	69,025
Net unrealized gains/(losses) on investments in securities	68,727	57,578
Total valuation and translation adjustments	68,727	57,578
Total net assets	132,243	126,603
Total liabilities and net assets	2,436,264	2,553,274

Non-Consolidated Statements of Income

(Yen in millions)

Items	Nine months ended December 31, 2012	Nine months ended December 31, 2013
Ordinary income:	334,548	335,624
Insurance premiums and others:	302,089	304,105
Insurance premiums	301,557	303,887
Investment income:	30,382	30,720
Interest and dividends income	25,449	27,549
Gains on sales of securities	4,921	3,153
Other ordinary income	2,076	798
Ordinary expenses:	326,927	322,827
Insurance claims and others:	122,494	121,812
Insurance claims	31,904	31,675
Annuity payments	6,475	7,357
Benefits	8,223	8,766
Surrender benefits	73,464	71,342
Other refunds	1,633	1,695
Provision for policy reserves and others:	144,028	142,919
Provision for outstanding claims	364	588
Provision for policy reserves	143,661	142,330
Provision for interest portion of reserve for dividends to policyholders	2	0
Investment expenses:	2,238	951
Interest expense	227	211
Losses on sales of securities	1,497	713
Impairment losses on securities	486	-
Operating expenses	53,047	51,914
Other ordinary expenses	5,118	5,230
Ordinary profit	7,621	12,796
Extraordinary income	1	2
Extraordinary losses	329	401
Provision for reserve for dividends to policyholders	3,868	3,875
Income before income taxes	3,424	8,522
Income taxes	1,413	3,095
Net income	2,010	5,427

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

(1) Policies in force

(Yen in millions)

	March 31, 2013		December 31, 2013	
	Number of policies (in thousands)	Amount	Number of policies (in thousands)	Amount
Individual insurance	2,262	19,317,482	2,354	20,057,841
Individual annuities	183	757,139	186	787,690
Group insurance	—	5,165,629	—	5,093,510
Group annuities	—	429	—	405

(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 policy reserves for the policies for which annuity payments have commenced.

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

(2) New policies

(Yen in millions)

	Nine months ended December 31, 2012				Nine months ended December 31, 2013			
	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	231	2,577,706	2,577,706	-	194	1,947,093	1,947,093	-
Individual annuities	11	59,304	59,304	-	8	64,995	64,995	-
Group insurance	—	691,598	691,598	—	—	54,513	54,513	—
Group annuities	—	-	-	—	—	-	-	—

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

Annualized Premiums

(1) Policies in force

(Yen in millions)

	March 31, 2013	December 31, 2013
Individual insurance	274,863	284,673
Individual annuities	42,614	44,007
Total:	317,478	328,680
Medical coverage, living benefits, etc.	55,193	58,885

(2) New policies

(Yen in millions)

	Nine months ended December 31, 2012	Nine months ended December 31, 2013
Individual insurance	29,263	27,077
Individual annuities	3,324	3,298
Total:	32,588	30,376
Medical coverage, living benefits, etc.	4,901	7,042

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

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

Non-Consolidated Business Performance

(Yen in millions)

	Nine months ended December 31, 2012	Nine months ended December 31, 2013	Change
Fundamental revenues:	329,628	332,477	2,848
Insurance premiums and others	302,089	304,105	2,015
Fundamental expenses	323,655	320,871	(2,783)
Fundamental profit	5,973	11,605	5,632
Capital gains/(losses)	2,933	2,434	(499)
Non-recurring gains/(losses)	(1,286)	(1,243)	42
Ordinary profit	7,621	12,796	5,175
Extraordinary income	1	2	1
Extraordinary losses	329	401	71
Provision for reserve for dividends to policyholders	3,868	3,875	6
Income taxes	1,413	3,095	1,682
Net income	2,010	5,427	3,416

Non-Consolidated Solvency Margin Ratio

(Yen in millions)

	March 31, 2013	December 31, 2013
(A) Total amount of solvency margin	267,498	267,109
Total capital	63,515	69,025
Reserve for price fluctuation	3,406	3,778
Contingency reserve	21,800	23,036
General bad debt reserve	39	14
Net unrealized gains/(losses) on investments in securities x 90%	89,295	74,810
Net unrealized gains/(losses) on land x 85%	-	-
Excess of continued Zillmerized reserve (a)	121,422	126,963
Subordinated debts, etc. (b)	-	-
Amount excluded from the margin, out of (a) and (b)	(32,340)	(30,821)
Brought in capital	-	-
Deductions	-	-
Others	359	302
(B) Total amount of risks $\sqrt{(R_1 + R_8)^2 + (R_2 + R_3 + R_7)^2} + R_4$	40,845	42,346
Insurance risk (R ₁)	13,818	14,133
Insurance risk of third sector insurance contracts (R ₈)	4,913	5,688
Assumed interest rate risk (R ₂)	2,922	2,953
Asset management risk (R ₃)	31,567	32,577
Minimum guarantee risk (R ₇)	-	-
Business administration risk (R ₄)	1,596	1,660
(C) Solvency margin ratio [(A) / {(B) x 1/2}] x 100	1,309.8%	1,261.5%

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

Non-Consolidated Balance Sheets

(Yen in millions)

Items	March 31, 2013	December 31, 2013
(Assets)		
Cash, deposits and savings	37,291	39,502
Call loans	30,002	15,563
Money trusts	886,301	667,203
Investments in securities	2,777,814	3,277,442
Loans	529	458
Tangible fixed assets	1,099	950
Intangible fixed assets	4,042	4,017
Reinsurance accounts receivable	90	249
Other assets	5,489	30,615
Deferred tax assets	22,914	22,995
Total assets	3,765,574	4,058,998
(Liabilities)		
Policy liabilities:	3,645,909	3,914,498
Outstanding claims	12,942	10,378
Policy reserves	3,632,967	3,904,120
Due to agencies	2,858	7,132
Reinsurance accounts payable	1,732	2,534
Other liabilities:	20,045	16,272
Income taxes payable	12,829	-
Lease obligations	839	718
Asset retirement obligations	123	124
Other liabilities	6,253	15,429
Reserves under the special laws:	23,743	24,643
Reserve for price fluctuation	23,743	24,643
Total liabilities	3,694,290	3,965,081
(Net assets)		
Common stock	41,060	41,060
Capital surplus	24,735	24,735
Retained earnings	4,740	27,554
Total shareholders' equity	70,535	93,349
Net unrealized gains/(losses) on investments in securities	748	566
Total valuation and translation adjustments	748	566
Total net assets	71,284	93,916
Total liabilities and net assets	3,765,574	4,058,998

Non-Consolidated Statements of Income

(Yen in millions)

Items	Nine months ended December 31, 2012	Nine months ended December 31, 2013
Ordinary income:	570,760	962,298
Insurance premiums and others:	349,989	571,840
Insurance premiums	344,033	569,418
Investment income:	219,424	385,959
Interest and dividends income	245	2,928
Investment gains on money trusts	97,384	5,140
Gains on sales of securities	-	0
Investment gains on separate accounts	121,570	373,183
Other ordinary income:	1,346	4,498
Reversal of outstanding claims	-	2,564
Ordinary expenses:	542,194	926,886
Insurance claims and others:	194,442	609,703
Insurance claims	32,792	38,103
Annuity payments	32,499	38,469
Benefits	47,048	137,806
Surrender benefits	63,474	372,361
Other refunds	766	1,368
Provision for policy reserves and others:	317,187	271,152
Provision for outstanding claims	2,736	-
Provision for policy reserves	314,451	271,152
Investment expenses:	438	864
Interest expense	0	0
Losses on derivative transactions	-	389
Operating expenses	28,396	40,633
Other ordinary expenses	1,728	4,532
Ordinary profit	28,566	35,411
Extraordinary income	-	-
Extraordinary losses	662	900
Income before income taxes	27,903	34,510
Income taxes	9,355	11,696
Net income	18,547	22,814

Business Results

Amount of Policies in Force and New Policies

(1) Policies in force

(Yen in millions)

	March 31, 2013		December 31, 2013	
	Number of policies (in thousands)	Amount	Number of policies (in thousands)	Amount
Individual insurance	67	465,049	137	839,913
Individual annuities	413	3,196,405	374	3,096,821
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 policy reserves for the policies for which annuity payments have commenced.

(2) New policies

(Yen in millions)

	Nine months ended December 31, 2012				Nine months ended December 31, 2013			
	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	44	235,541	235,541	-	80	427,833	427,833	-
Individual annuities	17	96,076	96,076	-	19	120,672	120,672	-
Group insurance	—	-	-	—	—	-	-	—
Group annuities	—	-	-	—	—	-	-	—

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

Annualized Premiums

(1) Policies in force

(Yen in millions)

	March 31, 2013	December 31, 2013
Individual insurance	31,509	55,462
Individual annuities	402,731	381,002
Total:	434,240	436,465
Medical coverage, living benefits, etc.	104	117

(2) New policies

(Yen in millions)

	Nine months ended December 31, 2012	Nine months ended December 31, 2013
Individual insurance	14,989	28,229
Individual annuities	72,003	92,199
Total:	86,992	120,428
Medical coverage, living benefits, etc.	-	-

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

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

Non-Consolidated Business Performance

(Yen in millions)

	Nine months ended December 31, 2012	Nine months ended December 31, 2013	Change
Fundamental revenues:	559,511	981,553	422,041
Insurance premiums and others	349,989	571,840	221,850
Fundamental expenses	536,243	934,422	398,179
Fundamental profit	23,268	47,130	23,862
Capital gains/(losses)	11,248	(3,934)	(15,183)
Non-recurring gains/(losses)	(5,951)	(7,784)	(1,833)
Ordinary profit	28,566	35,411	6,845
Extraordinary income	-	-	-
Extraordinary losses	662	900	238
Provision for reserve for dividends to policyholders	-	-	-
Income taxes	9,355	11,696	2,341
Net income	18,547	22,814	4,266

Non-Consolidated Solvency Margin Ratio

(Yen in millions)

	March 31, 2013	December 31, 2013
(A) Total amount of solvency margin	267,510	330,371
Total capital	70,535	93,349
Reserve for price fluctuation	23,743	24,643
Contingency reserve	46,722	54,507
General bad debt reserve	-	-
Net unrealized gains/(losses) on investments in securities x 90%	973	736
Net unrealized gains/(losses) on land x 85%	-	-
Excess of continued Zillmerized reserve (a)	123,427	144,882
Subordinated debts, etc. (b)	-	-
Amount excluded from the margin, out of (a) and (b)	-	-
Brought in capital	-	-
Deductions	-	-
Others	2,107	12,252
(B) Total amount of risks $\sqrt{(R_1 + R_8)^2 + (R_2 + R_3 + R_7)^2} + R_4$	60,516	62,109
Insurance risk (R ₁)	53	51
Insurance risk of third sector insurance contracts (R ₈)	16	13
Assumed interest rate risk (R ₂)	15,199	21,318
Asset management risk (R ₃)	22,753	26,120
Minimum guarantee risk (R ₇)	21,375	13,451
Business administration risk (R ₄)	1,187	1,219
(C) Solvency margin ratio [(A) / {(B) x 1/2}] x 100	884.0%	1,063.8%