

[Attachment]

Explanatory Material for Business Results for the Year Ended March 31, 2019

May 20, 2019

MS&AD Insurance Group Holdings, Inc.

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

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1. Summary of Consolidated Business Results

(1) Consolidated Business Results

(Yen in 100 millions)

	Items	Year ended March 31, 2018	Year ended March 31, 2019	Change	Change ratio
Net premiums written (non-life insurance) ^(Note 1)	1	34,469	35,004	534	1.6
Mitsui Sumitomo Insurance ^(Note 1)	2	15,003	15,124	121	0.8
Aioi Nissay Dowa Insurance	3	12,220	12,335	115	0.9
Simple sum	4	27,223	27,460	236	0.9
Mitsui Direct General Insurance	5	378	366	(12)	(3.2)
Overseas insurance subsidiaries	6	6,823	7,146	322	4.7
Insurance premiums (domestic life insurance)	7	15,081	15,999	917	6.1
Mitsui Sumitomo Aioi Life Insurance	8	4,925	5,042	116	2.4
Mitsui Sumitomo Primary Life Insurance	9	10,156	10,956	800	7.9
Ordinary profit	10	2,115	2,908	792	37.5
Net income attributable to owners of the parent	11	1,540	1,927	386	25.1
Mitsui Sumitomo Insurance	12	1,982	1,711	(271)	(13.7)
Aioi Nissay Dowa Insurance	13	156	373	216	138.8
Simple sum	14	2,138	2,084	(54)	(2.5)
Mitsui Direct General Insurance	15	2	2	(0)	(23.9)
Mitsui Sumitomo Aioi Life Insurance	16	52	79	26	51.0
Mitsui Sumitomo Primary Life Insurance	17	292	233	(59)	(20.2)
Overseas insurance subsidiaries	18	(1,046)	193	1,240	-
Others, consolidation adjustments, etc.	19	100	(665)	(766)	(760.0)

(Notes) 1. The figures in the above table are presented as 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 12 to 18 represent the net income or loss on a non-consolidated basis after taking into account the Company's ownership interests in its subsidiaries.

(Supplement) Incurred Losses Caused by Natural Disasters in Japan, Excluding Residential Earthquake Insurance, of Two Main Consolidated Domestic Non-Life Insurance Subsidiaries

(Yen in 100 millions)

	Items	Year ended March 31, 2018	Year ended March 31, 2019	Change
Total	20	730	2,108	1,377
Mitsui Sumitomo Insurance	21	427	1,089	662
Aioi Nissay Dowa Insurance	22	303	1,018	715

(2) Business Results of Domestic Non-Life Insurance Subsidiaries (Simple Sum of Two Main Consolidated Subsidiaries)

The figures in the table below are presented as followings.

- Simple sum of Mitsui Sumitomo Insurance Co., Ltd. and Aioi Nissay Dowa Insurance Co., Ltd..
- 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.

(Yen in 100 millions)

	Items	Year ended March 31, 2018	Year ended March 31, 2019	Change	Change ratio
(+)	Net premiums written	27,223	27,460	236	0.9 %
(-)	Net claims paid	14,970	16,815	1,844	12.3
(-)	Loss adjustment expenses	1,502	1,560	58	3.9
(-)	Commissions and collection expenses	4,941	5,038	96	2.0
(-)	Operating expenses and general and administrative expenses for underwriting	3,835	3,898	63	1.7
	Underwriting profit before movements in reserves	1,973	147	(1,826)	(92.5)
(-)	Movement in outstanding claims	444	213	(231)	(52.1)
(-)	Movement in ordinary underwriting reserves	266	275	9	3.7
(+)	Other	77	172	95	123.0
	Underwriting profit/(loss) before movement in catastrophe reserve	1,339	(169)	(1,509)	(112.7)
(-)	Movement in catastrophe reserve	446	(798)	(1,244)	(279.0)
	Underwriting profit	893	628	(264)	(29.6)
(+)	Interest and dividends income	1,636	1,700	64	3.9
(-)	Transfer of investment income on deposit premiums from policyholders	501	487	(13)	(2.8)
	Net interest and dividends income (item 13 - item 14)	1,134	1,212	78	6.9
(+)	Gains/(losses) on sales of securities	1,343	1,331	(12)	(1.0)
(-)	Impairment losses on securities	500	61	(439)	(87.8)
(+)	Other	(172)	(193)	(20)	-
	Investment profit	1,805	2,289	484	26.8
(+)	Other ordinary profit/(loss)	(16)	(39)	(23)	-
	Ordinary profit	2,681	2,878	196	7.3
(+)	Extraordinary income/(losses):	327	(168)	(496)	(151.5)
	Gains/(losses) on reserve for price fluctuation	314	(158)	(472)	(150.5)
	Income before income taxes	3,009	2,709	(299)	(9.9)
(-)	Income taxes	870	625	(244)	(28.1)
	Net income	2,138	2,084	(54)	(2.5)

Ratios	Net loss ratio	Note 1	27	60.5 %	66.9 %	6.4 %	
	Net expense ratio	Note 2	28	32.2 %	32.5 %	0.3 %	
	Combined ratio	Note 3	29	92.7 %	99.4 %	6.7 %	

Incurred losses (including loss adjustment expenses)		Note 4, 5	30	14,193	15,901	1,708	12.0
	EI loss ratio	Note 4, 6	31	60.1 %	66.5 %	6.4 %	

- (Notes) 1. Net loss ratio = (net claims paid + loss adjustment expenses) / net premiums written x 100
2. Net expense ratio = (commissions and collection expenses + operating expenses and general and administrative expenses for underwriting) / net premiums written x 100
3. Combined ratio = net loss ratio + net expense ratio
4. The calculation is exclusive of residential earthquake insurance and CALI*.
* CALI stands for compulsory automobile liability insurance, and the same hereinafter.
5. Incurred losses (including loss adjustment expenses) = net claims paid + loss adjustment expenses + movement in outstanding claims
6. EI loss ratio = incurred losses (including loss adjustment expenses) / earned premiums x 100
Earned premiums are calculated based on unearned premiums (excluding underwriting reserves for natural disasters), premium reserve, etc.

(3) Business Results of Domestic Life Insurance Subsidiaries

1. Mitsui Sumitomo Aioi Life Insurance Co., Ltd.

(Yen in 100 millions)

	Items	Year ended March 31, 2018	Year ended March 31, 2019	Change	Change ratio
Amount of new policies ^(Note)	1	26,395	31,145	4,750	18.0 %
Annualized premiums of new policies	2	388	511	123	31.7 %
Amount of policies in force ^(Note)	3	238,068	245,331	7,262	3.1 %
Annualized premiums for policies in force	4	4,123	4,315	191	4.6 %
Insurance premiums	5	4,925	5,042	116	2.4 %
Ordinary profit	6	169	195	25	15.0 %
Extraordinary income/(losses)	7	(8)	(11)	(2)	-
Net income	8	52	79	26	51.0 %

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

2. Mitsui Sumitomo Primary Life Insurance Co., Ltd.

(Yen in 100 millions)

	Items	Year ended March 31, 2018	Year ended March 31, 2019	Change	Change ratio
Amount of new policies ^(Note)	1	10,156	11,182	1,026	10.1 %
Amount of policies in force ^(Note)	2	60,618	66,785	6,166	10.2 %
Insurance premiums	3	10,156	10,956	800	7.9 %
Ordinary profit	4	289	355	66	23.0 %
Extraordinary income/(losses)	5	115	(35)	(150)	(130.4) %
Net income	6	292	233	(59)	(20.2) %

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

(4) Business Results of Overseas Insurance Subsidiaries

(Yen in 100 millions)

	Items	Year ended March 31, 2018	Year ended March 31, 2019	Change	Change ratio %
Net premiums written	1	6,823	7,146	322	4.7
Asia	2	1,625	1,840	214	13.2
Europe:	3	4,704	4,860	155	3.3
MS Amlin	4	4,296	4,477	181	4.2
Americas	5	493	445	(47)	(9.6)
Net income/(loss) attributable to owners of the parent	6	(1,046)	193	1,240	-
Asia	7	107	261	154	143.8
Europe:	8	(1,247)	(190)	1,057	-
MS Amlin	9	(1,104)	(137)	967	-
Americas	10	35	40	4	13.6
International life insurance ^(Note)	11	58	82	23	41.1

(Note) The category for "International life insurance" is added to the breakdown of "Net income attributable to owners of the parent".

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

The figures in the tables below are presented as 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	Year ended March 31, 2018	Year ended March 31, 2019	Change	Change ratio %
(+) Net premiums written	1	15,003	15,124	121	0.8
(-) Net claims paid	2	8,363	9,109	745	8.9
(-) Loss adjustment expenses	3	873	896	23	2.7
(-) Commissions and collection expenses	4	2,591	2,654	62	2.4
(-) Operating expenses and general and administrative expenses for underwriting	5	2,109	2,111	2	0.1
Underwriting profit before movements in reserves	6	1,065	352	(713)	(66.9)
(-) Movement in outstanding claims	7	(17)	24	41	-
(-) Movement in ordinary underwriting reserves	8	126	140	13	10.7
(+) Other	9	47	63	16	33.9
Underwriting profit before movement in catastrophe reserve	10	1,003	250	(752)	(75.0)
(-) Movement in catastrophe reserve	11	158	(222)	(380)	(240.7)
Underwriting profit	12	844	473	(371)	(44.0)
(+) Interest and dividends income	13	1,051	1,139	88	8.4
(-) Transfer of investment income on deposit premiums from policyholders	14	334	322	(12)	(3.6)
Net interest and dividends income (item 13 - item 14)	15	716	816	100	14.0
(+) Gains/(losses) on sales of securities	16	1,188	1,160	(27)	(2.3)
(-) Impairment losses on securities	17	10	40	30	292.7
(+) Other	18	(69)	(77)	(7)	-
Investment profit	19	1,825	1,859	34	1.9
(+) Other ordinary profit/(loss)	20	(44)	(67)	(23)	-
Ordinary profit	21	2,625	2,264	(360)	(13.7)
(+) Extraordinary income/(losses):	22	15	(31)	(46)	(298.2)
Gains/(losses) on reserve for price fluctuation	23	(40)	(41)	(1)	-
Income before income taxes	24	2,641	2,233	(407)	(15.4)
(-) Income taxes	25	658	522	(136)	(20.7)
Net income	26	1,982	1,711	(271)	(13.7)

Ratios	Net loss ratio	Note 1	27	61.6 %	66.2 %	4.6 %	
	Net expense ratio	Note 2	28	31.3 %	31.5 %	0.2 %	
	Combined ratio	Note 3	29	92.9 %	97.7 %	4.8 %	
	Interest and dividends income yield		30	2.04 %	2.18 %	0.14 %	
	Investment profit yield	Note 4	31	4.35 %	4.34 %	(0.01) %	

Incurred losses (including loss adjustment expenses)		Note 5, 6	32	7,752	8,571	819	10.6
EI loss ratio		Note 5, 7	33	59.1 %	64.6 %	5.5 %	

- (Notes) 1. Net loss ratio = (net claims paid + loss adjustment expenses) / net premiums written x 100
2. Net expense ratio = (commissions and collection expenses + operating expenses and general and administrative expenses for underwriting) / net premiums written x 100
3. Combined ratio = net loss ratio + net expense ratio
4. Total investment yield (including unrealized gains and losses): 5.33% for the year ended March 31, 2018, and 0.48% for the year ended March 31, 2019
5. The calculation is exclusive of residential earthquake insurance and CALI.
6. Incurred losses (including loss adjustment expenses) = net claims paid + loss adjustment expenses + movement in outstanding claims
7. EI loss ratio = incurred losses (including loss adjustment expenses) / earned premiums x 100
Earned premiums are calculated based on unearned premiums (excluding underwriting reserves for natural disasters), premium reserve, etc.

(2) Premiums written

(Yen in 100 millions)

	Net premiums written				Direct premiums written (excluding deposit premiums from policyholders)			
	Year ended March 31, 2018		Year ended March 31, 2019		Year ended March 31, 2018		Year ended March 31, 2019	
	Amount	Change ratio %	Amount	Change ratio %	Amount	Change ratio %	Amount	Change ratio %
Fire and allied	1,967	7.0	1,988	1.1	2,702	4.5	2,953	9.3
Marine	604	3.1	622	3.0	803	1.9	828	3.1
Personal accident	1,476	2.9	1,513	2.5	1,574	2.6	1,608	2.2
Voluntary automobile	6,592	0.8	6,570	(0.3)	6,642	0.8	6,637	(0.1)
CALI	1,845	(1.3)	1,780	(3.5)	1,680	(5.8)	1,696	0.9
Other	2,518	3.8	2,648	5.2	2,937	4.2	3,082	4.9
Total	15,003	2.1	15,124	0.8	16,340	1.5	16,807	2.9

(3) Net claims paid

(Yen in 100 millions)

	Year ended March 31, 2018			Year ended March 31, 2019			
	Amount	Change ratio %	Net loss ratio %	Amount	Change ratio %	Net loss ratio %	Change %
Fire and allied	1,359	6.0	71.2	2,030	49.3	104.9	33.7
Marine	361	5.9	62.4	322	(10.6)	54.5	(7.9)
Personal accident	693	(2.3)	51.8	713	3.0	51.5	(0.3)
Voluntary automobile	3,344	4.8	59.1	3,428	2.5	60.8	1.7
CALI	1,351	(1.3)	80.3	1,329	(1.6)	82.0	1.7
Other	1,254	2.6	52.3	1,285	2.5	50.9	(1.4)
Total	8,363	3.1	61.6	9,109	8.9	66.2	4.6

(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)

	Year ended March 31, 2018			Year ended March 31, 2019		
	Incurred losses	Net claims paid	Outstanding claims	Incurred losses	Net claims paid	Outstanding claims
Fire and allied	356	292	63	932	829	102
Voluntary automobile	30	29	0	54	57	(3)
Other	40	26	14	103	78	25
Total	427	348	78	1,089	965	124

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

(4) Expenses

<Company expenses>

(Yen in 100 millions)

	Items	Year ended March 31, 2018			Year ended March 31, 2019		
		Amount	Change	Change ratio %	Amount	Change	Change ratio %
Personnel expenses	1	1,687	10	0.6	1,673	(13)	(0.8)
Non-personnel expenses	2	1,288	35	2.9	1,331	42	3.3
Taxes and contributions	3	123	(1)	(1.1)	124	0	0.8
Total	4	3,099	44	1.5	3,129	30	1.0

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

<Expenses for underwriting>

(Yen in 100 millions)

	Items	Year ended March 31, 2018			Year ended March 31, 2019		
		Amount	Change	Change ratio %	Amount	Change	Change ratio %
Operating expenses and general and administrative expenses	5	2,109	42	2.1	2,111	2	0.1
Commissions and collection expenses	6	2,591	74	3.0	2,654	62	2.4
Total	7	4,700	117	2.6	4,766	65	1.4
Net expense ratio	8	31.3 %	0.1 %		31.5 %	0.2 %	

(5) Outstanding claims

(Yen in 100 millions)

	March 31, 2018		March 31, 2019	
	Balance	Movement	Balance	Movement
Fire and allied	981	64	1,097	115
Marine	291	(19)	302	10
Personal accident	463	(3)	449	(13)
Voluntary automobile	2,590	16	2,506	(84)
CALI	505	(14)	473	(32)
Other	1,582	(59)	1,612	30
Total	6,417	(17)	6,441	24

(6) Incurred losses and earned-incurred loss ratio

(Yen in 100 millions)

	Year ended March 31, 2018		Year ended March 31, 2019			
	Incurred losses	Earned-incurred loss ratio	Incurred losses	Change	Earned-incurred loss ratio	Change
		%			%	%
Fire and allied	1,465	71.8	2,168	702	109.1	37.3
Marine	357	59.1	349	(7)	56.3	(2.8)
Personal accident	760	52.9	765	5	51.5	(1.4)
Voluntary automobile	3,912	59.3	3,910	(2)	59.5	0.2
Other	1,256	51.3	1,377	121	52.9	1.6
Total	7,752	59.1	8,571	819	64.6	5.5

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

The calculation is exclusive of residential earthquake insurance and CALI.

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

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

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

(7) Underwriting reserves

(Yen in 100 millions)

		March 31, 2019				
		Total underwriting reserves	Ordinary underwriting reserves	Reserve for refunds and dividends to policyholders	Catastrophe reserve	Contingency reserve
Fire and allied	Balance	8,035	6,256	888	890	0
	Movement	(791)	(33)	(353)	(404)	0
Marine	Balance	1,075	262	-	813	-
	Movement	(4)	(19)	-	14	-
Personal accident	Balance	11,763	1,221	9,770	771	0
	Movement	(437)	26	(511)	47	0
Voluntary automobile	Balance	2,870	1,999	-	871	0
	Movement	79	0	(27)	106	0
CALI	Balance	2,597	2,597	-	-	-
	Movement	88	88	-	-	-
Other	Balance	5,196	2,742	575	1,878	0
	Movement	83	79	(9)	12	0
Total	Balance	31,538	15,079	11,234	5,224	0
	Movement	(983)	140	(901)	(222)	0

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

(8) Catastrophe reserve

(Yen in 100 millions)

	March 31, 2018		March 31, 2019			
	Balance	Reserve ratio	Reversal	Provision	Balance	Reserve ratio
		%				%
Fire and allied	1,294	66.0	817	413	890	44.9
Marine	798	132.0	-	14	813	130.6
Personal accident	723	49.0	-	47	771	51.0
Voluntary automobile	764	11.6	103	210	871	13.3
Other	1,865	74.1	86	98	1,878	70.9
Total	5,446	41.4	1,007	785	5,224	39.2

(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

(9) Investment assets

(Yen in 100 millions)

	March 31, 2018	March 31, 2019	
			Change
Cash, deposits and savings	4,459	4,759	299
Investments in securities:	56,356	53,998	(2,357)
Domestic bonds	18,058	16,230	(1,828)
Domestic stocks	19,371	17,288	(2,083)
Foreign securities	18,548	20,034	1,486
Other securities	377	444	67
Loans	3,933	3,962	29
Land and buildings	1,942	1,937	(4)
Total	66,691	64,659	(2,032)

(Reference)

Long-term investment assets	12,087	11,213	(873)
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(Reference) Breakdown of domestic bonds

(Yen in 100 millions)

	March 31, 2018	March 31, 2019	
			Change
Government bonds	11,928	9,798	(2,129)
Municipal bonds	880	874	(5)
Corporate bonds:	5,249	5,556	307
Government agency bonds	985	941	(43)
Specific financial institution bonds	32	-	(32)
Other corporate bonds	4,232	4,615	382
Total	18,058	16,230	(1,828)

(10) Breakdown of interest and dividends income

(Yen in 100 millions)

	Year ended March 31, 2018	Year ended March 31, 2019	
			Change
Investments in securities:	934	1,027	92
Domestic bonds	188	176	(11)
Domestic stocks	436	479	42
Foreign securities	271	325	54
Other securities	37	45	7
Loans	40	34	(6)
Land and buildings	64	65	0
Other	11	12	1
Total	1,051	1,139	88

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

(Yen in 100 millions)

March 31, 2019	Cost	Fair value	Difference	Change from March 31, 2018
Domestic bonds	14,666	16,230	1,563	55
Domestic stocks	6,338	16,893	10,554	(2,129)
Foreign securities	5,388	5,510	121	143
Other securities	267	295	28	1
Total	26,662	38,929	12,267	(1,929)

(Yen in 100 millions)

March 31, 2018	Cost	Fair value	Difference
Domestic bonds	16,550	18,058	1,508
Domestic stocks	6,352	19,036	12,683
Foreign securities	5,250	5,229	(21)
Other securities	245	271	26
Total	28,398	42,595	14,197

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

2. "Other securities" includes 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)

	Year ended March 31, 2018 Gains/(losses)	Year ended March 31, 2019 Gains/(losses)	Gains	Losses
Domestic bonds	2	35	35	0
Domestic stocks	1,107	1,090	1,105	15
Foreign securities	78	35	73	38
Other securities	-	-	-	-
Total	1,188	1,160	1,214	53

Impairment losses on securities

(Yen in 100 millions)

	Year ended March 31, 2018	Year ended March 31, 2019	Change
Domestic bonds	-	-	-
Domestic stocks	0	39	38
Foreign securities	5	1	(4)
Other securities	4	-	(4)
Total	10	40	30

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

(1) Business Performance

(Yen in 100 millions)

	Items	Year ended March 31, 2018	Year ended March 31, 2019	Change	Change ratio %
(+) Net premiums written	1	12,220	12,335	115	0.9
(-) Net claims paid	2	6,606	7,705	1,098	16.6
(-) Loss adjustment expenses	3	628	663	35	5.6
(-) Commissions and collection expenses	4	2,349	2,383	34	1.5
(-) Operating expenses and general and administrative expenses for underwriting	5	1,726	1,787	60	3.5
Underwriting profit/(loss) before movements in reserves	6	908	(204)	(1,112)	(122.6)
(-) Movement in outstanding claims	7	462	188	(273)	(59.2)
(-) Movement in ordinary underwriting reserves	8	139	135	(3)	(2.7)
(+) Other	9	29	108	78	265.3
Underwriting profit/(loss) before movement in catastrophe reserve	10	336	(420)	(756)	(225.0)
(-) Movement in catastrophe reserve	11	287	(575)	(863)	(300.1)
Underwriting profit	12	48	155	107	221.2
(+) Interest and dividends income	13	584	561	(23)	(4.0)
(-) Transfer of investment income on deposit premiums from policyholders	14	167	165	(1)	(1.1)
Net interest and dividends income (item 13 - item 14)	15	417	396	(21)	(5.2)
(+) Gains/(losses) on sales of securities	16	155	170	14	9.6
(-) Impairment losses on securities	17	490	20	(469)	(95.8)
(+) Other	18	(102)	(115)	(12)	-
Investment profit/(loss)	19	(19)	430	450	-
(+) Other ordinary profit/(loss)	20	27	28	0	1.6
Ordinary profit	21	56	613	557	992.9
(+) Extraordinary income/(losses):	22	311	(137)	(449)	(144.1)
Gains/(losses) on reserve for price fluctuation	23	354	(116)	(471)	(133.0)
Income before income taxes	24	367	476	108	29.4
(-) Income taxes	25	211	103	(108)	(51.3)
Net income	26	156	373	216	138.8

Ratios	Net loss ratio	Note 1	27	59.2 %	67.8 %	8.6 %	
	Net expense ratio	Note 2	28	33.4 %	33.8 %	0.4 %	
	Combined ratio	Note 3	29	92.6 %	101.6 %	9.0 %	
	Interest and dividends income yield		30	2.21 %	2.22 %	0.01 %	
	Investment profit yield	Note 4	31	0.76 %	2.60 %	1.84 %	

Incurred losses (including loss adjustment expenses)	Note 5, 6	32	6,440	7,329	889	13.8
EI loss ratio	Note 5, 7	33	61.4 %	68.9 %	7.5 %	

- (Notes) 1. Net loss ratio = (net claims paid + loss adjustment expenses) / net premiums written x 100
2. Net expense ratio = (commissions and collection expenses + operating expenses and general and administrative expenses for underwriting) / net premiums written x 100
3. Combined ratio = net loss ratio + net expense ratio
4. Total investment yield (including unrealized gains and losses): 2.98% for the year ended March 31, 2018, and (0.22)% for the year ended March 31, 2019
5. The calculation is exclusive of residential earthquake insurance and CALI.
6. Incurred losses (including loss adjustment expenses) = net claims paid + loss adjustment expenses + movement in outstanding claims
7. EI loss ratio = incurred losses (including loss adjustment expenses) / earned premiums x 100
Earned premiums are calculated based on unearned premiums (excluding underwriting reserves for natural disasters), premium reserve, etc.

(2) Premiums written

(Yen in 100 millions)

	Net premiums written				Direct premiums written (excluding deposit premiums from policyholders)			
	Year ended March 31, 2018		Year ended March 31, 2019		Year ended March 31, 2018		Year ended March 31, 2019	
	Amount	Change ratio %	Amount	Change ratio %	Amount	Change ratio %	Amount	Change ratio %
Fire and allied	1,744	14.0	1,838	5.4	1,967	4.0	2,168	10.2
Marine	74	37.0	81	8.8	(0)	-	0	-
Personal accident	613	(0.1)	639	4.3	651	(0.1)	667	2.5
Voluntary automobile	6,840	0.5	6,850	0.1	6,613	(0.1)	6,605	(0.1)
CALI	1,670	(1.0)	1,592	(4.7)	1,752	(6.8)	1,765	0.7
Other	1,276	(2.9)	1,332	4.4	1,437	1.7	1,487	3.5
Total	12,220	1.8	12,335	0.9	12,421	(0.3)	12,695	2.2

(3) Net claims paid

(Yen in 100 millions)

	Year ended March 31, 2018			Year ended March 31, 2019			
	Amount	Change ratio %	Net loss ratio %	Amount	Change ratio %	Net loss ratio %	Change %
Fire and allied	1,002	21.9	59.8	1,902	89.7	106.5	46.7
Marine	35	37.4	48.2	46	29.5	57.1	8.9
Personal accident	266	(2.1)	47.8	270	1.4	48.1	0.3
Voluntary automobile	3,556	2.8	58.2	3,704	4.2	60.3	2.1
CALI	1,174	(3.1)	76.3	1,143	(2.6)	77.7	1.4
Other	571	(17.9)	47.6	639	11.9	51.5	3.9
Total	6,606	1.9	59.2	7,705	16.6	67.8	8.6

(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)

	Year ended March 31, 2018			Year ended March 31, 2019		
	Incurred losses	Net claims paid	Outstanding claims	Incurred losses	Net claims paid	Outstanding claims
Fire and allied	252	197	55	908	857	51
Voluntary automobile	30	29	1	71	74	(2)
Other	19	8	10	38	24	13
Total	303	235	67	1,018	956	62

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

(4) Expenses

<Company expenses>

(Yen in 100 millions)

	Items	Year ended March 31, 2018			Year ended March 31, 2019		
		Amount	Change	Change ratio %	Amount	Change	Change ratio %
Personnel expenses	1	1,280	43	3.5	1,262	(18)	(1.5)
Non-personnel expenses	2	1,065	(65)	(5.8)	1,178	112	10.6
Taxes and contributions	3	110	0	0.7	109	(0)	(0.3)
Total	4	2,456	(20)	(0.8)	2,549	93	3.8

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

<Expenses for underwriting>

(Yen in 100 millions)

	Items	Year ended March 31, 2018			Year ended March 31, 2019		
		Amount	Change	Change ratio %	Amount	Change	Change ratio %
Operating expenses and general and administrative expenses	5	1,726	(56)	(3.2)	1,787	60	3.5
Commissions and collection expenses	6	2,349	111	5.0	2,383	34	1.5
Total	7	4,076	54	1.4	4,171	94	2.3
Net expense ratio	8	33.4 %	(0.1) %		33.8 %	0.4 %	

(5) Outstanding claims

(Yen in 100 millions)

	March 31, 2018		March 31, 2019	
	Balance		Balance	
		Movement		Movement
Fire and allied	983	393	1,104	121
Marine	54	12	85	30
Personal accident	249	16	252	3
Voluntary automobile	3,007	68	2,976	(31)
CALI	444	(17)	412	(31)
Other	990	(10)	1,087	96
Total	5,729	462	5,918	188

(6) Incurred losses and earned-incurred loss ratio

(Yen in 100 millions)

	Year ended March 31, 2018		Year ended March 31, 2019			
	Incurred losses	Earned-incurred loss ratio	Incurred losses	Change	Earned-incurred loss ratio	Change
		%			%	%
Fire and allied	1,436	82.3	2,057	620	115.0	32.7
Marine	48	68.9	77	28	97.2	28.3
Personal accident	309	52.0	310	0	50.5	(1.5)
Voluntary automobile	4,048	59.3	4,101	52	59.9	0.6
Other	596	47.8	783	186	59.8	12.0
Total	6,440	61.4	7,329	889	68.9	7.5

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

The calculation is exclusive of residential earthquake insurance and CALI.

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

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

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

(7) Underwriting reserves

(Yen in 100 millions)

		March 31, 2019				
		Total underwriting reserves	Ordinary underwriting reserves	Reserve for refunds and dividends to policyholders	Catastrophe reserve	Contingency reserve
Fire and allied	Balance	6,348	5,071	523	749	3
	Movement	(689)	24	(89)	(625)	0
Marine	Balance	168	31	-	137	-
	Movement	(4)	(1)	-	(2)	-
Personal accident	Balance	4,672	749	3,227	691	4
	Movement	(174)	24	(219)	20	0
Voluntary automobile	Balance	2,488	1,922	33	533	0
	Movement	(0)	8	0	(9)	0
CALI	Balance	2,448	2,448	-	-	-
	Movement	52	52	-	-	-
Other	Balance	2,221	1,331	152	736	0
	Movement	64	26	(3)	41	0
Total	Balance	18,349	11,555	3,937	2,848	7
	Movement	(751)	135	(311)	(575)	0

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

(8) Catastrophe reserve

(Yen in 100 millions)

	March 31, 2018		March 31, 2019			
	Balance	Reserve ratio	Reversal	Provision	Balance	Reserve ratio
		%				%
Fire and allied	1,374	79.0	923	298	749	40.8
Marine	140	187.5	4	1	137	168.7
Personal accident	670	109.4	-	20	691	108.1
Voluntary automobile	542	7.9	228	219	533	7.8
Other	695	54.5	23	64	736	55.3
Total	3,424	32.5	1,180	604	2,848	26.5

(Note) Reserve ratio = catastrophe reserve / net premiums written (excluding premiums of residential earthquake insurance and CALI) x 100

(9) Investment assets

(Yen in 100 millions)

	March 31, 2018	March 31, 2019	
			Change
Cash, deposits and savings	1,674	1,839	164
Investments in securities:	25,971	24,113	(1,857)
Domestic bonds	9,253	8,408	(844)
Domestic stocks	9,227	8,234	(993)
Foreign securities	6,840	6,771	(69)
Other securities	649	698	49
Loans	2,000	2,010	9
Land and buildings	1,594	1,592	(2)
Total	31,240	29,555	(1,685)

(Reference)

Long-term investment assets	4,216	3,903	(312)
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(Reference) Breakdown of domestic bonds

(Yen in 100 millions)

	March 31, 2018	March 31, 2019	
			Change
Government bonds	6,409	5,620	(788)
Municipal bonds	211	209	(2)
Corporate bonds:	2,632	2,578	(53)
Government agency bonds	496	508	12
Specific financial institution bonds	73	79	5
Other corporate bonds	2,062	1,990	(71)
Total	9,253	8,408	(844)

(10) Breakdown of interest and dividends income

(Yen in 100 millions)

	Year ended March 31, 2018	Year ended March 31, 2019	
			Change
Investments in securities:	507	483	(23)
Domestic bonds	98	93	(5)
Domestic stocks	187	203	16
Foreign securities	178	158	(19)
Other securities	42	28	(14)
Loans	23	21	(1)
Land and buildings	46	47	1
Other	8	8	0
Total	584	561	(23)

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

(Yen in 100 millions)

March 31, 2019	Cost	Fair value	Difference	Change from March 31, 2018
Domestic bonds	7,764	8,408	644	31
Domestic stocks	4,013	7,973	3,960	(890)
Foreign securities	5,492	5,903	410	139
Other securities	580	627	47	(5)
Total	17,850	22,913	5,063	(725)

(Yen in 100 millions)

March 31, 2018	Cost	Fair value	Difference
Domestic bonds	8,640	9,253	613
Domestic stocks	4,124	8,975	4,851
Foreign securities	6,026	6,297	270
Other securities	538	592	53
Total	19,330	25,119	5,788

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

Gains and losses on sales of securities

(Yen in 100 millions)

	Year ended March 31, 2018 Gains/(losses)	Year ended March 31, 2019 Gains/(losses)		
			Gains	Losses
Domestic bonds	2	20	26	6
Domestic stocks	134	140	140	0
Foreign securities	18	9	56	46
Other securities	-	(0)	-	0
Total	155	170	223	53

Impairment losses on securities

(Yen in 100 millions)

	Year ended March 31, 2018	Year ended March 31, 2019	Change
Domestic bonds	-	-	-
Domestic stocks	22	20	(1)
Foreign securities	467	-	(467)
Other securities	-	-	-
Total	490	20	(469)

4. Earnings Forecasts

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) Consolidated Business Results

(Yen in 100 millions)

	Items	Results for year ended March 31, 2019	Forecasts for year ending March 31, 2020	Change from previous year
Net premiums written (non-life insurance)	1	35,004	35,240	235
Mitsui Sumitomo Insurance	2	15,124	15,410	285
Aioi Nissay Dowa Insurance	3	12,335	12,610	274
Simple sum	4	27,460	28,020	559
Mitsui Direct General Insurance	5	366	368	1
Overseas insurance subsidiaries	6	7,146	6,810	(336)
Insurance premiums (domestic life insurance)	7	15,999	15,250	(749)
Mitsui Sumitomo Aioi Life Insurance	8	5,042	5,220	177
Mitsui Sumitomo Primary Life Insurance	9	10,956	10,030	(926)
Ordinary profit	10	2,908	2,980	71
Net income attributable to owners of the parent	11	1,927	2,000	72
Mitsui Sumitomo Insurance	12	1,711	1,360	(351)
Aioi Nissay Dowa Insurance	13	373	400	26
Simple sum	14	2,084	1,760	(324)
Mitsui Direct General Insurance	15	2	1	(1)
Mitsui Sumitomo Aioi Life Insurance	16	79	100	20
Mitsui Sumitomo Primary Life Insurance	17	233	170	(63)
Overseas insurance subsidiaries	18	193	380	186
Others, consolidation adjustments, etc.	19	(665)	(411)	254
Annual total of dividends per share	20	140.00 yen	150.00 yen	10.00 yen

(Note) Items 12 to 18 represent the net income or loss on a non-consolidated basis after taking into account the Company's ownership interests in its subsidiaries.

(2) Domestic Non-Life Insurance Subsidiaries (Two Main Consolidated Subsidiaries)

(Yen in 100 millions)

	Items	Simple sum		Mitsui Sumitomo Insurance		Aioi Nissay Dowa Insurance	
		Forecasts for year ending March 31, 2020	Change from previous year	Forecasts for year ending March 31, 2020	Change from previous year	Forecasts for year ending March 31, 2020	Change from previous year
Net premiums written	1	28,020	559	15,410	285	12,610	274
Growth rate of net premiums written	2	2.0 %	1.1 %	1.9 %	1.1 %	2.2 %	1.3 %
Net loss ratio ^(Note 1)	3	61.7 %	(5.2) %	60.9 %	(5.3) %	62.8 %	(5.0) %
Net expense ratio ^(Note 2)	4	33.2 %	0.7 %	32.4 %	0.9 %	34.2 %	0.4 %
Combined ratio ^(Note 3)	5	94.9 %	(4.5) %	93.3 %	(4.4) %	97.0 %	(4.6) %
EI loss ratio ^(Note 4, 5)	6	59.5 %	(7.0) %	57.8 %	(6.8) %	61.7 %	(7.2) %
Underwriting profit	7	1,040	411	760	286	280	124
Investment profit	8	1,540	(749)	1,150	(709)	390	(40)
Ordinary profit	9	2,500	(378)	1,820	(444)	680	66
Net income	10	1,760	(324)	1,360	(351)	400	26

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

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

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

4. The calculation is exclusive of residential earthquake insurance and CALI.

5. EI loss ratio = incurred losses (including loss adjustment expenses) / earned premiums x 100

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

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

(Primary assumptions of the forecasts)

- The forecast of net premiums written is based on the Company's own estimate taking into account the trends in the consolidated business results.
- Incurred losses (which are the sum total of net claims paid and movement in outstanding claims) caused by natural disasters in Japan for the year ending March 31, 2020 are assumed to be ¥33.0 billion at Mitsui Sumitomo Insurance Co., Ltd. and ¥22.0 billion at Aioi Nissay Dowa Insurance Co., Ltd..
- Market interest rates, currency exchange rates and stock prices are assumed to be at almost the same level as March 31, 2019.

The Company's consolidated earnings forecasts have been made based on certain assumptions including those above mentioned but actual results may differ substantially from these forecasts depending on various factors.

Supplementary Information

1. Supplementary Information on Consolidated Business Results

(1) Consolidated Business Results

(Yen in 100 millions)

	Year ended March 31, 2018	Year ended March 31, 2019	Change	Change ratio
Ordinary income and expenses:				
Underwriting income:	46,540	49,214	2,673	5.7 %
Net premiums written	34,469	35,004	534	1.6
Deposit premiums from policyholders	863	802	(61)	(7.1)
Life insurance premiums	10,582	12,868	2,285	21.6
Underwriting expenses:	41,637	44,096	2,459	5.9
Net claims paid	19,351	21,321	1,969	10.2
Loss adjustment expenses	1,710	1,757	46	2.7
Commissions and collection expenses	6,890	7,051	161	2.3
Maturity refunds to policyholders	2,410	2,320	(90)	(3.7)
Life insurance claims	3,761	3,959	198	5.3
Provision for outstanding claims	1,795	609	(1,185)	(66.0)
Provision for underwriting reserves	5,644	7,033	1,388	24.6
Investment income:	5,508	5,611	103	1.9
Interest and dividends income	2,862	3,041	179	6.3
Investment gains on money trusts	87	754	666	758.0
Gains on sales of securities	1,519	1,616	96	6.4
Investment gains on separate accounts	1,152	431	(721)	(62.6)
Investment expenses:	1,631	1,048	(583)	(35.8)
Investment losses on money trusts	137	1	(135)	(98.8)
Losses on sales of securities	89	173	83	93.3
Impairment losses on securities	15	90	75	501.0
Operating expenses and general and administrative expenses	6,696	6,809	112	1.7
Other ordinary income and expenses:	31	36	4	13.1
Gains/(losses) on equity method investments	30	37	7	24.3
Ordinary profit	2,115	2,908	792	37.5
Extraordinary income and losses:				
Extraordinary income	513	170	(342)	(66.8)
Reversal of reserve for price fluctuation	420	-	(420)	(100.0)
Extraordinary losses	185	280	94	51.0
Provision for reserve for price fluctuation	-	203	203	-
Extraordinary income/(losses)	327	(110)	(437)	(133.6)
Income before income taxes	2,443	2,798	355	14.5
Income taxes - current	1,184	886	(298)	(25.2)
Income taxes - deferred	(280)	(31)	248	-
Total income taxes	904	854	(49)	(5.5)
Net income	1,538	1,943	404	26.3
Net income/(loss) attributable to non-controlling interests	(1)	16	18	-
Net income attributable to owners of the parent	1,540	1,927	386	25.1

(Note) The figures in the above table are presented as 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) 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	Year ended March 31, 2018			Year ended March 31, 2019		
	Amount	Share (%)	Change ratio (%)	Amount	Share (%)	Change ratio (%)
Fire and allied	627,029	17.2	4.1	677,543	18.0	8.1
Marine	168,602	4.6	(0.1)	184,578	4.9	9.5
Personal accident	320,764	8.8	(0.1)	321,651	8.6	0.3
Voluntary automobile	1,546,108	42.4	1.4	1,550,037	41.2	0.3
CALI	343,370	9.4	(6.3)	346,258	9.2	0.8
Other	643,233	17.6	1.6	681,779	18.1	6.0
Total:	3,649,108	100.0	0.9	3,761,848	100.0	3.1
Deposit premiums from policyholders	86,371	2.4	(12.4)	80,235	2.1	(7.1)

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

Voluntary Automobile	1,552,072		1.9	1,552,868		0.1
Total	3,655,073		1.1	3,764,680		3.0

Net Premiums Written by Line of Insurance

(Yen in millions)

Lines of Insurance	Year ended March 31, 2018			Year ended March 31, 2019		
	Amount	Share (%)	Change ratio (%)	Amount	Share (%)	Change ratio (%)
Fire and allied	553,183	16.1	2.3	558,427	16.0	0.9
Marine	142,339	4.1	(2.3)	152,333	4.3	7.0
Personal accident	240,450	7.0	1.1	261,273	7.5	8.7
Voluntary automobile	1,587,008	46.1	1.7	1,593,578	45.6	0.4
CALI	352,063	10.2	(1.1)	337,844	9.6	(4.0)
Other	565,931	16.5	(0.2)	594,114	17.0	5.0
Total	3,440,976	100.0	1.0	3,497,572	100.0	1.6

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

Voluntary automobile	1,592,973		2.1	1,596,409		0.2
Total	3,446,940		1.2	3,500,403		1.6

Net Claims Paid by Line of Insurance

(Yen in millions)

Lines of Insurance	Year ended March 31, 2018			Year ended March 31, 2019		
	Amount	Share (%)	Change ratio (%)	Amount	Share (%)	Change ratio (%)
Fire and allied	378,241	19.5	27.0	526,294	24.7	39.1
Marine	82,302	4.3	(15.1)	83,445	3.9	1.4
Personal accident	106,233	5.5	(1.6)	110,904	5.2	4.4
Voluntary automobile	841,807	43.5	5.4	872,529	40.9	3.6
CALI	252,990	13.1	(2.1)	247,757	11.6	(2.1)
Other	273,589	14.1	0.6	291,224	13.7	6.4
Total	1,935,165	100.0	5.6	2,132,155	100.0	10.2

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

(3) Investments in Securities

1. Trading securities

(Yen in millions)

	March 31, 2018		March 31, 2019	
	Carrying amount	Unrealized gains/(losses) included in income	Carrying amount	Unrealized gains/(losses) included in income
Trading securities	3,335,844	(1,107)	3,211,098	(12,558)

(Note) "Trading securities" includes certificates of deposits included in Cash, deposits and savings, and commercial papers included in Monetary claims bought on the consolidated balance sheet.

2. Held-to-maturity securities

(Yen in millions)

Items	March 31, 2018			March 31, 2019		
	Carrying amount	Fair value	Difference	Carrying amount	Fair value	Difference
Domestic Bonds	1,046,667	1,249,687	203,019	1,056,044	1,286,289	230,244
Other Securities	10,237	10,237	-	8,198	8,198	-
Total	1,056,905	1,259,924	203,019	1,064,243	1,294,487	230,244

(Note) "Other Securities" includes certificates of deposits included in Cash, deposits and savings, and commercial papers included in Monetary claims bought on the consolidated balance sheet.

3. Debt securities earmarked for underwriting reserves

(Yen in millions)

Items	March 31, 2018			March 31, 2019		
	Carrying amount	Fair value	Difference	Carrying amount	Fair value	Difference
Domestic Bonds	493,613	500,175	6,561	757,068	811,591	54,522
Foreign Securities	1,574,491	1,613,671	39,179	1,606,242	1,713,764	107,521
Total	2,068,105	2,113,846	45,741	2,363,311	2,525,355	162,044

4. Available-for-sale securities

(Yen in millions)

Items	March 31, 2018			March 31, 2019		
	Cost	Carrying amount	Difference	Cost	Carrying amount	Difference
Domestic Bonds	3,935,970	4,248,127	312,156	3,592,074	3,912,768	320,693
Domestic Stocks	1,116,058	2,802,126	1,686,068	1,098,918	2,486,984	1,388,065
Foreign Securities	2,253,413	2,295,745	42,331	2,414,156	2,475,337	61,180
Other Securities	182,111	191,404	9,293	218,824	228,732	9,908
Total	7,487,554	9,537,404	2,049,850	7,323,973	9,103,822	1,779,848

(Notes) 1. Available-for-sale securities without practically determinable fair value are not included in the above table.

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

3. The Company and its consolidated subsidiaries recognized impairment losses on Available-for-sale securities with practically determinable fair value as follows.

For the year ended March 31, 2018: ¥468 million (comprised of Foreign securities only)

For the year ended March 31, 2019: ¥7,553 million (comprised of ¥6,761 million on Domestic stocks and ¥792 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.

2. Summary of Business Results of Main Consolidated Subsidiaries

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

Non-Consolidated Balance Sheets

(Yen in millions)

Items	March 31, 2018	March 31, 2019
(Assets)		
Cash, deposits and savings:	421,714	451,820
Cash on hand	76	57
Deposits in banks	421,638	451,762
Receivables under resale agreements	6,999	6,999
Monetary claims bought	13,598	13,650
Money trusts	3,728	3,543
Investments in securities:	5,635,635	5,399,897
Government bonds	1,192,826	979,885
Municipal bonds	88,038	87,459
Corporate bonds	524,990	555,690
Domestic stocks	1,937,182	1,728,866
Foreign securities	1,854,804	2,003,496
Other securities	37,792	44,498
Loans:	393,362	396,292
Policy loans	7,133	6,515
General loans	386,228	389,776
Tangible fixed assets:	205,648	207,392
Land	76,499	78,087
Buildings	117,734	115,698
Construction in progress	569	335
Other tangible fixed assets	10,846	13,271
Intangible fixed assets:	45,317	73,972
Software	13,726	14,527
Other intangible fixed assets	31,591	59,445
Other assets:	328,137	393,734
Premiums receivable	4,122	4,311
Due from agencies	120,062	122,339
Co-insurance accounts receivable	7,407	12,721
Reinsurance accounts receivable	53,454	64,100
Foreign reinsurance accounts receivable	26,634	94,274
Agency business accounts receivable	534	607
Other receivables	41,300	35,260
Accrued income	6,059	5,632
Guarantee deposits	10,293	10,323
Deposits with the Japan Earthquake Reinsurance Company	6,457	4,138
Suspense payments	35,327	36,911
Initial margins for future transactions	316	701
Derivative financial instruments	15,052	1,347
Cash collateral pledged under derivative transactions	326	393
Other assets	784	670
Customers' liabilities under acceptances and guarantees	47,243	33,123
Bad debt reserve	(3,169)	(3,282)
Total assets	7,098,216	6,977,145

(Yen in millions)

Items	March 31, 2018	March 31, 2019
(Liabilities)		
Policy liabilities:	3,893,910	3,798,043
Outstanding claims	641,711	644,153
Underwriting reserves	3,252,198	3,153,890
Bonds issued	386,191	487,093
Other liabilities:	507,840	502,358
Co-insurance accounts payable	11,571	11,656
Reinsurance accounts payable	55,662	63,195
Foreign reinsurance accounts payable	22,483	29,004
Agency business accounts payable	12	16
Borrowings	196,767	196,767
Income taxes payable	48,653	18,683
Deposits received	61,793	64,182
Unearned income	34	25
Other payables	44,734	46,990
Suspense receipts	22,259	23,220
Derivative financial instruments	2,557	1,787
Cash collateral received under derivative transactions	34,218	40,357
Lease obligations	1,372	1,294
Asset retirement obligations	3,862	3,881
Other liabilities	1,858	1,295
Reserve for pension and retirement benefits	139,476	134,438
Reserve for retirement benefits for officers	516	403
Accrued bonuses for employees	10,145	10,447
Reserve for reorganization by function	2,261	906
Reserves under the special laws:	71,813	76,003
Reserve for price fluctuation	71,813	76,003
Deferred tax liabilities	161,817	101,693
Acceptances and guarantees	47,243	33,123
Total liabilities	5,221,215	5,144,511
(Net assets)		
Common stock	139,595	139,595
Capital surplus:	93,107	93,107
Additional paid-in capital	93,107	93,107
Retained earnings:	589,634	685,439
Legal earned reserve	46,487	46,487
Other retained earnings:	543,146	638,951
Tax-exempted reserve for accelerated depreciation	15,503	15,837
Retained earnings brought forward	527,643	623,113
Total shareholders' equity	822,337	918,142
Net unrealized gains/(losses) on investments in securities	1,022,583	885,036
Net deferred gains/(losses) on hedges	32,079	29,454
Total valuation and translation adjustments	1,054,662	914,491
Total net assets	1,877,000	1,832,634
Total liabilities and net assets	7,098,216	6,977,145

Non-Consolidated Statements of Income

(Yen in millions)

Items	Year ended March 31, 2018	Year ended March 31, 2019
Ordinary income:	1,859,915	1,908,617
Underwriting income:	1,654,780	1,696,441
Net premiums written	1,494,362	1,509,617
Deposit premiums from policyholders	60,092	55,858
Investment income on deposit premiums from policyholders	33,443	32,235
Reversal of outstanding claims	1,734	-
Reversal of underwriting reserves	65,042	98,308
Foreign exchange gains	-	348
Other underwriting income	104	73
Investment income:	199,914	206,852
Interest and dividends income	105,107	113,912
Investment gains on money trusts	239	-
Gains on sales of securities	122,213	121,459
Gains on redemption of securities	592	256
Gains on derivative transactions	4,564	2,343
Foreign exchange gains	-	625
Other investment income	640	491
Transfer of investment income on deposit premiums from policyholders	(33,443)	(32,235)
Other ordinary income	5,220	5,322
Ordinary expenses:	1,597,363	1,682,140
Underwriting expenses:	1,357,678	1,436,790
Net claims paid	836,385	910,965
Loss adjustment expenses	87,345	89,662
Commissions and collection expenses	259,174	265,429
Maturity refunds to policyholders	173,672	167,736
Dividends to policyholders	244	118
Provision for outstanding claims	-	2,442
Foreign exchange losses	470	-
Other underwriting expenses	385	436
Investment expenses:	9,391	12,622
Investment losses on money trusts	-	171
Losses on sales of securities	3,360	5,375
Impairment losses on securities	1,031	4,052
Losses on redemption of securities	237	44
Foreign exchange losses	1,869	-
Other investment expenses	2,892	2,978
Operating expenses and general and administrative expenses	222,577	223,294
Other ordinary expenses:	7,714	9,434
Interest expense	6,721	7,734
Provision for bad debts	-	172
Losses on bad debts	1	1
Other ordinary expenses	991	1,526
Ordinary profit	262,552	226,476
Extraordinary income:	7,207	2,982
Gains on sales of fixed assets	7,207	2,982
Extraordinary losses:	5,636	6,095
Losses on sales of fixed assets	763	1,265
Impairment losses on fixed assets	860	639
Provision for reserves under the special laws:	4,011	4,190
Provision for reserve for price fluctuation	4,011	4,190
Income before income taxes	264,123	223,363
Income taxes - current	73,452	58,143
Income taxes - deferred	(7,566)	(5,882)
Total income taxes	65,885	52,260
Net income	198,237	171,102

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, 2018	March 31, 2019
(A) Total amount of solvency margin	3,293,687	3,321,706
Total net assets	769,056	856,325
Reserve for price fluctuation	71,813	76,003
Contingency reserve	-	60
Catastrophe reserve	552,914	527,790
General bad debt reserve	156	111
Net unrealized gains/(losses) on investments in securities and net deferred gains/(losses) on hedges (prior to tax effect deductions)	1,276,455	1,104,761
Net unrealized gains/(losses) on land	50,064	48,551
Excess of policyholders' contract deposits (a)	-	-
Subordinated debts, etc. (b)	386,191	487,093
Amount excluded from the margin, out of (a) and (b)	-	-
Deductions	6,642	6,642
Others	193,676	227,650
(B) Total amount of risks $\sqrt{(R_1 + R_2)^2 + (R_3 + R_4)^2} + R_5 + R_6$	939,444	918,540
General insurance risk (R_1)	128,268	131,847
Insurance risk of third sector insurance contracts (R_2)	-	-
Assumed interest rate risk (R_3)	15,571	14,611
Asset management risk (R_4)	771,448	757,347
Business administration risk (R_5)	20,731	20,376
Catastrophe risk (R_6)	121,308	115,025
(C) Solvency margin ratio [(A) / {(B) x 1/2}] x 100	701.1 %	723.2 %

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

Non-Consolidated Balance Sheets

(Yen in millions)

Items	March 31, 2018	March 31, 2019
(Assets)		
Cash, deposits and savings:	165,103	181,470
Cash on hand	20	18
Deposits in banks	165,083	181,452
Money trusts	2,383	2,483
Investments in securities:	2,597,124	2,411,362
Government bonds	640,924	562,094
Municipal bonds	21,152	20,930
Corporate bonds	263,257	257,869
Domestic stocks	922,714	823,412
Foreign securities	684,083	677,156
Other securities	64,991	69,898
Loans:	200,051	201,022
Policy loans	3,063	2,590
General loans	196,987	198,431
Tangible fixed assets:	171,168	177,051
Land	75,219	74,275
Buildings	84,234	84,965
Lease assets	14	3
Construction in progress	1,484	6,368
Other tangible fixed assets	10,216	11,438
Intangible fixed assets:	27,524	42,914
Software	9,325	9,783
Other intangible fixed assets	18,199	33,131
Other assets:	296,367	354,507
Premiums receivable	2,416	2,412
Due from agencies	78,533	81,701
Due from foreign agencies	931	897
Co-insurance accounts receivable	3,379	5,747
Reinsurance accounts receivable	53,568	49,733
Foreign reinsurance accounts receivable	72,006	126,947
Agency business accounts receivable	70	71
Other receivables	38,706	43,036
Accrued income	7,086	7,014
Guarantee deposits	6,821	6,777
Deposits with the Japan Earthquake Reinsurance Company	4,228	2,499
Suspense payments	24,122	24,825
Derivative financial instruments	4,496	2,842
Prepaid pension expenses	23,672	20,501
Deferred tax assets	-	16,426
Customers' liabilities under acceptances and guarantees	4,500	4,500
Bad debt reserve	(1,226)	(1,251)
Total assets	3,486,669	3,410,989

(Yen in millions)

Items	March 31, 2018	March 31, 2019
(Liabilities)		
Policy liabilities:	2,483,038	2,426,782
Outstanding claims	572,979	591,844
Underwriting reserves	1,910,058	1,834,938
Bonds issued	22,000	22,000
Other liabilities:	159,007	171,219
Co-insurance accounts payable	3,245	3,433
Reinsurance accounts payable	49,207	52,448
Foreign reinsurance accounts payable	36,314	53,043
Agency business accounts payable	1,550	1,500
Income taxes payable	17,450	3,060
Deposits received	3,049	3,249
Unearned income	13	27
Other payables	28,407	32,064
Suspense receipts	18,014	19,507
Derivative financial instruments	911	2,034
Lease obligations	14	3
Asset retirement obligations	829	847
Other liabilities	0	0
Reserve for pension and retirement benefits	26,891	31,288
Accrued bonuses for employees	5,859	6,016
Reserve for reorganization by function	1,527	253
Reserves under the special laws:	1,688	13,373
Reserve for price fluctuation	1,688	13,373
Deferred tax liabilities	1,090	-
Acceptances and guarantees	4,500	4,500
Total liabilities	2,705,604	2,675,433
(Net assets)		
Common stock	100,005	100,005
Capital surplus:	81,207	81,207
Additional paid-in capital	52,593	52,593
Other capital surplus	28,614	28,614
Retained earnings:	172,552	180,526
Legal earned reserve	47,411	47,411
Other retained earnings:	125,141	133,114
Retained earnings brought forward	125,141	133,114
Total shareholders' equity	353,765	361,739
Net unrealized gains/(losses) on investments in securities	427,298	373,815
Total valuation and translation adjustments	427,298	373,815
Total net assets	781,064	735,555
Total liabilities and net assets	3,486,669	3,410,989

Non-Consolidated Statements of Income

(Yen in millions)

Items	Year ended March 31, 2018	Year ended March 31, 2019
Ordinary income:	1,335,258	1,425,517
Underwriting income:	1,265,331	1,354,477
Net premiums written	1,222,017	1,233,581
Deposit premiums from policyholders	26,278	24,377
Investment income on deposit premiums from policyholders	16,728	16,539
Reversal of underwriting reserves	-	75,120
Foreign exchange gains	-	242
Other underwriting income	307	4,616
Investment income:	61,019	62,276
Interest and dividends income	58,498	56,150
Investment gains on money trusts	2	2
Gains on sales of securities	18,718	22,397
Gains on redemption of securities	462	90
Foreign exchange gains	-	77
Other investment income	66	97
Transfer of investment income on deposit premiums from policyholders	(16,728)	(16,539)
Other ordinary income	8,906	8,763
Ordinary expenses:	1,329,641	1,364,135
Underwriting expenses:	1,087,152	1,159,840
Net claims paid	660,699	770,582
Loss adjustment expenses	62,886	66,390
Commissions and collection expenses	234,977	238,394
Maturity refunds to policyholders	67,427	64,336
Dividends to policyholders	38	30
Provision for outstanding claims	46,214	18,865
Provision for underwriting reserves	11,721	-
Foreign exchange losses	10	-
Other underwriting expenses	3,175	1,240
Investment expenses:	57,877	13,890
Losses on sales of securities	3,189	5,379
Impairment losses on securities	49,040	2,076
Losses on redemption of securities	499	-
Losses on derivative transactions	3,572	4,861
Foreign exchange losses	507	-
Other investment expenses	1,067	1,572
Operating expenses and general and administrative expenses	182,720	188,607
Other ordinary expenses:	1,891	1,796
Interest expense	571	398
Provision for bad debts	-	55
Losses on bad debts	0	0
Other ordinary expenses	1,319	1,342
Ordinary profit	5,616	61,382
Extraordinary income:	37,778	701
Gains on sales of fixed assets	2,352	701
Reversal of reserves under the special laws:	35,425	-
Reversal of reserve for price fluctuation	35,425	-
Extraordinary losses:	6,599	14,463
Losses on sales of fixed assets	4,609	1,203
Impairment losses on fixed assets	1,979	1,569
Provision for reserves under the special laws:	-	11,684
Provision for reserve for price fluctuation	-	11,684
Losses on reduction of tangible fixed assets	11	5
Income before income taxes	36,794	47,620
Income taxes - current	24,465	9,584
Income taxes - deferred	(3,291)	728
Total income taxes	21,173	10,312
Net income	15,620	37,307

Non-Consolidated Solvency Margin Ratio

(Yen in millions)

	March 31, 2018	March 31, 2019
(A) Total amount of solvency margin	1,268,359	1,168,396
Total net assets	324,431	333,503
Reserve for price fluctuation	1,688	13,373
Contingency reserve	747	780
Catastrophe reserve	347,678	288,003
General bad debt reserve	199	231
Net unrealized gains/(losses) on investments in securities and net deferred gains/(losses) on hedges (prior to tax effect deductions)	521,401	456,845
Net unrealized gains/(losses) on land	18,026	23,420
Excess of policyholders' contract deposits (a)	-	-
Subordinated debts, etc. (b)	17,600	13,200
Amount excluded from the margin, out of (a) and (b)	-	-
Deductions	3,824	4,822
Others	40,411	43,859
(B) Total amount of risks $\sqrt{(R_1 + R_2)^2 + (R_3 + R_4)^2} + R_5 + R_6$	323,538	339,508
General insurance risk (R_1)	105,821	109,193
Insurance risk of third sector insurance contracts (R_2)	-	-
Assumed interest rate risk (R_3)	7,831	7,283
Asset management risk (R_4)	229,683	216,865
Business administration risk (R_5)	7,977	8,304
Catastrophe risk (R_6)	55,539	81,872
(C) Solvency margin ratio [(A) / {(B) x 1/2}] x 100	784.0 %	688.2 %

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

Non-Consolidated Balance Sheets

(Yen in millions)

Items	March 31, 2018	March 31, 2019
(Assets)		
Cash, deposits and savings:	18,067	7,036
Deposits in banks	18,067	7,036
Investments in securities:	33,621	42,042
Government bonds	1,656	901
Municipal bonds	21,136	20,158
Corporate bonds	10,828	14,479
Other securities	-	6,503
Tangible fixed assets:	377	548
Buildings	50	46
Other tangible fixed assets	327	502
Intangible fixed assets:	3,307	5,076
Software	2,207	4,601
Other intangible fixed assets	1,100	475
Other assets:	6,124	6,216
Premiums receivable	0	0
Reinsurance accounts receivable	-	418
Other receivables	3,756	3,589
Accrued income	52	44
Guarantee deposits	352	352
Suspense payments	1,961	1,811
Other assets	1	0
Bad debt reserve	(9)	(3)
Total assets	61,489	60,917
(Liabilities)		
Policy liabilities:	45,870	44,995
Outstanding claims	24,796	24,432
Underwriting reserves	21,073	20,563
Other liabilities:	1,422	1,398
Reinsurance accounts payable	1	2
Income taxes payable	224	157
Other payables	1,171	1,211
Suspense receipts	7	8
Asset retirement obligations	17	17
Reserve for pension and retirement benefits	104	163
Accrued bonuses for employees	263	280
Reserves under the special laws:	63	72
Reserve for price fluctuation	63	72
Deferred tax liabilities	93	84
Total liabilities	47,819	46,994
(Net assets)		
Common stock	39,106	39,106
Capital surplus:	9,006	9,006
Additional paid-in capital	9,006	9,006
Retained earnings:	(34,492)	(34,243)
Other retained earnings:	(34,492)	(34,243)
Retained earnings brought forward	(34,492)	(34,243)
Total shareholders' equity	13,619	13,868
Net unrealized gains/(losses) on investments in securities	50	54
Total valuation and translation adjustments	50	54
Total net assets	13,670	13,923
Total liabilities and net assets	61,489	60,917

Non-Consolidated Statements of Income

(Yen in millions)

Items	Year ended March 31, 2018	Year ended March 31, 2019
Ordinary income:	37,965	37,612
Underwriting income:	37,892	37,559
Net premiums written	37,873	36,663
Investment income on deposit premiums from policyholders	18	22
Reversal of outstanding claims	-	363
Reversal of underwriting reserves	-	510
Investment income:	59	32
Interest and dividends income	73	55
Gains on sales of securities	4	-
Transfer of investment income on deposit premiums from policyholders	(18)	(22)
Other ordinary income	14	19
Ordinary expenses:	37,514	37,227
Underwriting expenses:	28,948	28,235
Net claims paid	24,823	25,123
Loss adjustment expenses	2,825	2,811
Commissions and collection expenses	280	300
Provision for outstanding claims	638	-
Provision for underwriting reserves	380	-
Investment expenses:	0	-
Losses on sales of securities	0	-
Operating expenses and general and administrative expenses	8,556	8,988
Other ordinary expenses:	8	2
Provision for bad debts	5	-
Other ordinary expenses	2	2
Ordinary profit	451	384
Extraordinary income	-	-
Extraordinary losses:	6	15
Losses on sales of fixed assets	0	6
Provision for reserves under the special laws:	6	8
Provision for reserve for price fluctuation	6	8
Income before taxes	445	369
Income taxes - current	123	131
Income taxes - deferred	(6)	(10)
Total income taxes	117	120
Net income	328	249

Non-Consolidated Solvency Margin Ratio

(Yen in millions)

	March 31, 2018	March 31, 2019
(A) Total amount of solvency margin	14,992	15,222
Total net assets	13,619	13,868
Reserve for price fluctuation	63	72
Contingency reserve	0	0
Catastrophe reserve	1,242	1,210
General bad debt reserve	3	3
Net unrealized gains/(losses) on investments in securities and net deferred gains/(losses) on hedges (prior to tax effect deductions)	63	68
Net unrealized gains/(losses) on land	-	-
Excess of policyholders' contract deposits (a)	-	-
Subordinated debts, etc. (b)	-	-
Amount excluded from the margin, out of (a) and (b)	-	-
Deductions	-	-
Others	-	-
(B) Total amount of risks $\sqrt{(R_1 + R_2)^2 + (R_3 + R_4)^2} + R_5 + R_6$	6,553	6,117
General insurance risk (R_1)	5,978	5,516
Insurance risk of third sector insurance contracts (R_2)	-	-
Assumed interest rate risk (R_3)	0	0
Asset management risk (R_4)	853	1,031
Business administration risk (R_5)	213	205
Catastrophe risk (R_6)	300	300
(C) Solvency margin ratio [(A) / {(B) x 1/2}] x 100	457.5 %	497.6 %

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

Non-Consolidated Balance Sheets

(Yen in millions)

Items	March 31, 2018	March 31, 2019
(Assets)		
Cash, deposits and savings:	164,811	73,027
Cash on hand	0	0
Deposits in banks	164,811	73,027
Receivables under resale agreements	-	465,377
Receivables under securities borrowing transactions	309,644	-
Investments in securities:	3,260,140	3,548,477
Government bonds	1,968,530	2,213,343
Municipal bonds	163,323	183,243
Corporate bonds	862,383	883,523
Domestic stocks	1,362	770
Foreign securities	219,641	195,146
Other securities	44,898	72,449
Loans:	57,079	59,506
Policy loans	57,079	59,506
Tangible fixed assets:	3,997	3,347
Buildings	572	532
Lease assets	2,155	1,486
Other tangible fixed assets	1,269	1,328
Intangible fixed assets:	26,417	30,851
Software	8,103	8,067
Other intangible fixed assets	18,314	22,783
Due from agencies	127	186
Reinsurance accounts receivable	663	3,230
Other assets:	46,963	45,775
Other receivables	33,014	34,197
Prepaid expenses	1,427	1,182
Accrued income	7,143	6,940
Guarantee deposits	350	369
Derivative financial instruments	4,042	1,400
Suspense payments	960	1,551
Other assets	24	131
Bad debt reserve	(114)	(117)
Total assets	3,869,730	4,229,662

(Yen in millions)

Items	March 31, 2018	March 31, 2019
(Liabilities)		
Policy liabilities:	3,182,433	3,415,379
Outstanding claims	28,102	29,520
Underwriting reserves	3,143,804	3,376,079
Reserve for dividends to policyholders	10,526	9,780
Due to agencies	4,562	4,296
Reinsurance accounts payable	263	253
Other liabilities:	395,303	509,173
Payables under repurchase agreements	-	468,782
Payables under securities lending transactions	381,139	23,687
Income taxes payable	758	2,496
Other payables	128	389
Accrued expenses	9,527	8,376
Unearned income	0	0
Deposits received	179	184
Derivative financial instruments	391	11
Lease obligations	2,364	1,624
Asset retirement obligations	432	434
Suspense receipts	382	631
Other liabilities	-	2,554
Reserve for pension and retirement benefits	3,137	3,474
Reserve for retirement benefits for officers	22	10
Reserves under the special laws:	6,862	7,799
Reserve for price fluctuation	6,862	7,799
Deferred tax liabilities	12,619	13,359
Total liabilities	3,605,205	3,953,747
(Net assets)		
Common stock	85,500	85,500
Capital surplus:	93,688	93,688
Additional paid-in capital	63,214	63,214
Other capital surplus	30,473	30,473
Retained earnings:	7,870	14,645
Legal earned reserve	708	946
Other retained earnings:	7,162	13,698
Retained earnings brought forward	7,162	13,698
Total shareholders' equity	187,058	193,833
Net unrealized gains/(losses) on investments in securities	77,466	82,081
Total valuation and translation adjustments	77,466	82,081
Total net assets	264,524	275,915
Total liabilities and net assets	3,869,730	4,229,662

Non-Consolidated Statements of Income

(Yen in millions)

Items	Year ended March 31, 2018	Year ended March 31, 2019
Ordinary income:	550,495	579,934
Insurance premiums and others:	493,748	520,148
Insurance premiums	492,591	504,235
Reinsurance income	1,156	15,913
Investment income:	53,817	57,106
Interest and dividends income:	44,603	44,921
Interest on deposits	0	0
Interest and dividends on securities	42,699	43,138
Interest on loans	1,617	1,675
Other interest and dividends	287	106
Gains on sales of securities	9,209	12,184
Gains on redemption of securities	-	1
Foreign exchange gains	1	-
Reversal of bad debts	2	-
Other ordinary income:	2,929	2,679
Receipts of annuities with special conditions	923	779
Receipts of deferred insurance claims	1,519	1,436
Other ordinary income	486	462
Ordinary expenses:	533,521	560,410
Insurance claims and others:	189,390	223,798
Insurance claims	41,353	41,875
Annuity payments	16,924	18,339
Benefits	19,878	21,920
Surrender benefits	106,304	123,934
Other refunds	3,735	3,846
Reinsurance premiums	1,195	13,881
Provision for underwriting reserves and others:	247,798	233,692
Provision for outstanding claims	454	1,417
Provision for underwriting reserves	247,344	232,274
Provision for interest portion of reserve for dividends to policyholders	0	0
Investment expenses:	3,881	6,092
Interest expense	63	-
Losses on sales of securities	1,944	4,794
Losses on derivative transactions	1,793	1,235
Foreign exchange losses	-	8
Provision for bad debts	-	3
Other investment expenses	79	51
Operating expenses	79,359	83,244
Other ordinary expenses:	13,090	13,582
Payments of deferred insurance claims	1,562	1,453
Taxes	6,599	6,963
Depreciation	4,323	4,821
Provision for reserve for pension and retirement benefits	601	337
Other ordinary expenses	2	6
Ordinary profit	16,973	19,524
Extraordinary income:	1	0
Gains on sales of fixed assets	1	0
Extraordinary losses:	885	1,135
Losses on sales of fixed assets	11	198
Provision for reserves under the special laws:	874	936
Provision for reserve for price fluctuation	874	936
Provision for reserve for dividends to policyholders	9,214	7,842
Income before income taxes	6,874	10,547
Income taxes - current	2,132	3,634
Income taxes - deferred	(534)	(1,055)
Total income taxes	1,597	2,578
Net income	5,277	7,968

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

(1) Policies in force

(Yen in 100 millions)

	March 31, 2018		March 31, 2019	
	Number of policies (in thousands)	Amount	Number of policies (in thousands)	Amount
Individual insurance	3,057	230,952	3,219	238,475
Individual annuities	182	7,115	177	6,856
Group insurance	-	78,598	-	85,546
Group annuities	-	3	-	3

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

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

(2) New policies

(Yen in 100 millions)

	Year ended March 31, 2018				Year ended March 31, 2019			
	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	273	26,292	26,292	-	337	31,072	31,072	-
Individual annuities	1	102	102	-	1	73	73	-
Group insurance	-	1,445	1,445	-	-	928	928	-
Group annuities	-	-	-	-	-	-	-	-

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

Annualized Premiums

(1) Policies in force

(Yen in 100 millions)

	March 31, 2018	March 31, 2019
Individual insurance	3,693	3,897
Individual annuities	430	417
Total:	4,123	4,315
Medical coverage, living benefits, etc.	967	1,078

(2) New policies

(Yen in 100 millions)

	Year ended March 31, 2018	Year ended March 31, 2019
Individual insurance	383	508
Individual annuities	4	3
Total:	388	511
Medical coverage, living benefits, etc.	139	177

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

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

Non-Consolidated Business Performance

(Yen in millions)

	Year ended March 31, 2018	Year ended March 31, 2019	Change
Fundamental revenues:	541,283	567,766	26,483
Insurance premiums and others	493,748	520,148	26,400
Fundamental expenses	528,477	552,193	23,715
Fundamental profit	12,806	15,573	2,767
Capital gains/(losses)	5,472	6,131	658
Non-recurring gains/(losses)	(1,304)	(2,180)	(876)
Ordinary profit	16,973	19,524	2,550
Extraordinary income	1	0	(0)
Extraordinary losses	885	1,135	249
Provision for reserve for dividends to policyholders	9,214	7,842	(1,372)
Income taxes	1,597	2,578	981
Net income	5,277	7,968	2,691

(Note) Since the year ended March 31, 2019, the disclosure method of the breakdown of ordinary profit relating to the effect of change in the exchange rates related to foreign currency denominated insurance contracts and the effect of change in surrender values associated with market value adjustment has been modified. As a result, fundamental profit increased by ¥15 million and capital gains decreased by the same amount for the year ended March 31, 2019, compared to those before the modification.

Non-Consolidated Solvency Margin Ratio

(Yen in millions)

	March 31, 2018	March 31, 2019
(A) Total amount of solvency margin	484,904	505,779
Total capital	186,080	192,668
Reserve for price fluctuation	6,862	7,799
Contingency reserve	32,890	35,067
General bad debt reserve	23	22
Net unrealized gains/(losses) on investments in securities and net deferred gains/(losses) on hedges (prior to tax effect deductions) x 90%	96,832	102,601
Net unrealized gains/(losses) on land x 85%	-	-
Excess of continued Zillmerized reserve (a)	159,410	162,392
Subordinated debts, etc. (b)	-	-
Amount excluded from the margin, out of (a) and (b)	-	-
Brought in capital	-	-
Deductions	-	-
Others	2,804	5,227
(B) Total amount of risks $\sqrt{(R_1 + R_8)^2 + (R_2 + R_3 + R_7)^2} + R_4$	56,163	60,145
Insurance risk (R ₁)	17,411	18,220
Insurance risk of third sector insurance contracts (R ₈)	11,658	12,950
Assumed interest rate risk (R ₂)	3,115	3,136
Minimum guarantee risk (R ₇)	-	-
Asset management risk (R ₃)	43,169	46,405
Business administration risk (R ₄)	1,507	1,614
(C) Solvency margin ratio [(A) / {(B) x 1/2}] x 100	1,726.7 %	1,681.8 %

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

Non-Consolidated Balance Sheets

(Yen in millions)

Items	March 31, 2018	March 31, 2019
(Assets)		
Cash, deposits and savings:	178,099	288,811
Deposits in banks	178,099	288,811
Monetary claims bought	39,999	42,999
Money trusts	1,037,295	1,538,286
Investments in securities:	4,612,983	4,683,396
Government bonds	67,101	14,666
Municipal bonds	2,960	2,243
Corporate bonds	78,203	86,177
Foreign securities	2,043,356	2,280,077
Other securities	2,421,360	2,300,230
Loans:	239,778	244,618
Policy loans	433	338
General loans	239,345	244,280
Tangible fixed assets:	892	938
Buildings	244	284
Lease assets	541	542
Other tangible fixed assets	106	110
Intangible fixed assets:	6,638	10,655
Software	6,419	10,449
Lease assets	218	206
Reinsurance accounts receivable	3,813	9,788
Other assets:	41,616	28,814
Other receivables	17,446	7,325
Prepaid expenses	694	1,062
Accrued income	18,256	19,651
Guarantee deposits	4,504	576
Derivative financial instruments	0	-
Suspense payments	709	198
Other assets	5	-
Deferred tax assets	40,636	37,012
Total assets	6,201,753	6,885,323
(Liabilities)		
Policy liabilities:	5,916,715	6,555,593
Outstanding claims	17,382	20,679
Underwriting reserves	5,899,332	6,534,913
Due to agencies	4,555	4,040
Reinsurance accounts payable	4,244	3,936
Other liabilities:	39,648	50,443
Income taxes payable	1,501	2,187
Other payables	8,346	5,397
Accrued expenses	5,482	5,417
Deposits received	18,821	32,189
Derivative financial instruments	1	-
Lease obligations	833	818
Asset retirement obligations	134	174
Suspense receipts	4,527	4,258
Reserves under the special laws:	72,500	76,000
Reserve for price fluctuation	72,500	76,000
Total liabilities	6,037,664	6,690,014
(Net assets)		
Common stock	41,060	41,060
Capital surplus:	24,735	24,735
Additional paid-in capital	24,735	24,735
Retained earnings:	89,878	103,435
Legal earned reserve	2,604	4,554
Other retained earnings:	87,274	98,881
Retained earnings brought forward	87,274	98,881
Total shareholders' equity	155,673	169,230
Net unrealized gains/(losses) on investments in securities	8,207	19,669
Net deferred gains/(losses) on hedges	207	6,408
Total valuation and translation adjustments	8,414	26,077
Total net assets	164,088	195,308
Total liabilities and net assets	6,201,753	6,885,323

Non-Consolidated Statements of Income

(Yen in millions)

Items	Year ended March 31, 2018	Year ended March 31, 2019
Ordinary income:	1,256,486	1,342,809
Insurance premiums and others:	1,059,512	1,129,772
Insurance premiums	1,015,601	1,095,699
Reinsurance income	43,911	34,072
Investment income:	193,690	209,425
Interest and dividends income:	76,884	88,316
Interest on deposits	131	78
Interest and dividends on securities	68,185	79,490
Interest on loans	8,192	8,525
Other interest and dividends	376	222
Investment gains on money trusts	-	75,458
Gains on sales of securities	1,506	2,465
Gains on redemption of securities	0	22
Investment gains on separate accounts	115,299	43,162
Other ordinary income:	3,282	3,611
Receipts of annuities with special conditions	3,239	3,216
Other ordinary income	43	395
Ordinary expenses:	1,227,546	1,307,221
Insurance claims and others:	694,801	539,542
Insurance claims	73,274	87,300
Annuity payments	88,563	89,168
Benefits	178,199	176,160
Surrender benefits	223,918	109,120
Other refunds	2,791	3,662
Reinsurance premiums	128,054	74,130
Provision for underwriting reserves and others:	355,283	638,877
Provision for outstanding claims	4,964	3,296
Provision for underwriting reserves	350,318	635,581
Investment expenses:	118,896	64,920
Interest expense	0	6
Investment losses on money trusts	5,195	-
Losses on sales of securities	-	20
Losses on redemption of securities	-	3
Foreign exchange losses	113,646	64,837
Other investment expenses	54	53
Operating expenses	50,236	55,000
Other ordinary expenses:	8,328	8,880
Taxes	6,417	6,728
Depreciation	1,909	2,150
Other ordinary expenses	2	2
Ordinary profit	28,939	35,587
Extraordinary income:	11,500	-
Reversal of reserves under the special laws:	11,500	-
Reversal of reserve for price fluctuation	11,500	-
Extraordinary losses:	-	3,500
Provision for reserves under the special laws:	-	3,500
Provision for reserve for price fluctuation	-	3,500
Income before income taxes	40,439	32,087
Income taxes - current	8,565	12,027
Income taxes - deferred	2,662	(3,245)
Total income taxes	11,227	8,782
Net income	29,212	23,305

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

(1) Policies in force

(Yen in 100 millions)

	March 31, 2018		March 31, 2019	
	Number of policies (in thousands)	Amount	Number of policies (in thousands)	Amount
Individual insurance	687	37,873	765	42,699
Individual annuities	338	22,745	379	24,085
Group insurance	-	-	-	-
Group annuities	-	-	-	-

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

(2) New policies

(Yen in 100 millions)

	Year ended March 31, 2018				Year ended March 31, 2019			
	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	118	8,093	8,093	-	97	7,399	7,399	-
Individual annuities	44	2,063	2,063	-	62	3,783	3,783	-
Group insurance	-	-	-	-	-	-	-	-
Group annuities	-	-	-	-	-	-	-	-

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

Annualized Premiums

(1) Policies in force

(Yen in 100 millions)

	March 31, 2018	March 31, 2019
Individual insurance	2,641	3,110
Individual annuities	2,307	2,722
Total:	4,948	5,833
Medical coverage, living benefits, etc.	0	0

(2) New policies

(Yen in 100 millions)

	Year ended March 31, 2018	Year ended March 31, 2019
Individual insurance	650	632
Individual annuities	288	634
Total:	938	1,266
Medical coverage, living benefits, etc.	-	-

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

Non-Consolidated Business Performance

(Yen in millions)

	Year ended March 31, 2018	Year ended March 31, 2019	Change
Fundamental revenues:	1,270,108	1,297,226	27,118
Insurance premiums and others	1,059,512	1,129,772	70,259
Fundamental expenses	1,261,245	1,309,578	48,332
Fundamental profit/(loss)	8,862	(12,352)	(21,214)
Capital gains/(losses)	21,219	56,602	35,382
Non-recurring gains/(losses)	(1,141)	(8,662)	(7,521)
Ordinary profit	28,939	35,587	6,647
Extraordinary income	11,500	-	(11,500)
Extraordinary losses	-	3,500	3,500
Provision for reserve for dividends to policyholders	-	-	-
Income taxes	11,227	8,782	(2,445)
Net income	29,212	23,305	(5,907)

Non-Consolidated Solvency Margin Ratio

(Yen in millions)

	March 31, 2018	March 31, 2019
(A) Total amount of solvency margin	605,676	616,094
Total capital	149,053	165,034
Reserve for price fluctuation	72,500	76,000
Contingency reserve	75,597	84,260
General bad debt reserve	-	-
Net unrealized gains/(losses) on investments in securities and net deferred gains/(losses) on hedges (prior to tax effect deductions) x 90%	10,258	24,586
Net unrealized gains/(losses) on land x 85%	-	-
Excess of continued Zillmerized reserve (a)	267,415	229,718
Subordinated debts, etc. (b)	-	-
Amount excluded from the margin, out of (a) and (b)	-	-
Brought in capital	-	-
Deductions	-	-
Others	30,850	36,495
(B) Total amount of risks $\sqrt{(R_1 + R_8)^2 + (R_2 + R_3 + R_7)^2} + R_4$	121,997	149,278
Insurance risk (R ₁)	117	752
Insurance risk of third sector insurance contracts (R ₈)	4	3
Assumed interest rate risk (R ₂)	45,460	56,536
Minimum guarantee risk (R ₇)	2,655	2,303
Asset management risk (R ₃)	71,487	87,495
Business administration risk (R ₄)	2,394	2,941
(C) Solvency margin ratio [(A) / {(B) x 1/2}] x 100	992.9 %	825.4 %

3. Supplementary Information on Business Results for the Year Ended March 31, 2019 for Press Conference

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

1. Basic Information

(Yen in 100 millions)

		Year ended March 31, 2018 (A)	Six months ended September 30, 2018 (B)	Year ended March 31, 2019 (C)	Change (C) - (A)	Change (C) - (B)
1	Net premiums written	15,003	7,774	15,124	121	-
	Change ratio	2.1 %	(0.5)%	0.8 %	(1.3)%	1.3 %
2	Total assets	70,982	71,996	69,771	(1,210)	(2,224)
3	Net loss ratio	61.6 %	59.5 %	66.2 %	4.6 %	6.7 %
4	Net expense ratio	31.3 %	30.7 %	31.5 %	0.2 %	0.8 %
5	Combined ratio	92.9 %	90.2 %	97.7 %	4.8 %	7.5 %
	Underwriting result ratio	7.1 %	9.8 %	2.3 %	(4.8)%	(7.5)%
6	Voluntary automobile insurance					
	Net premiums written	6,592	3,314	6,570	(21)	-
	Change ratio	0.8 %	(0.9)%	(0.3)%	(1.1)%	0.6 %
	Underwriting result ratio	9.0 %	10.2 %	7.1 %	(1.9)%	(3.1)%
	Net loss ratio	59.1 %	58.4 %	60.8 %	1.7 %	2.4 %
	Net expense ratio	31.9 %	31.4 %	32.1 %	0.2 %	0.7 %
7	Fire and allied insurance					
	Net premiums written	1,967	1,019	1,988	20	-
	Change ratio	7.0 %	(3.2)%	1.1 %	(5.9)%	4.3 %
	Underwriting result ratio	(10.9)%	(19.7)%	(45.2)%	(34.3)%	(25.5)%
	Net loss ratio	71.2 %	79.1 %	104.9 %	33.7 %	25.8 %
	Net expense ratio	39.7 %	40.6 %	40.3 %	0.6 %	(0.3)%
8	Number of employees	14,572	14,636	14,577	5	(59)
9	Number of agencies	40,267	39,247	38,122	(2,145)	(1,125)

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

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

(Yen in 100 millions)

		Year ended March 31, 2018 (A)	Six months ended September 30, 2018 (B)	Year ended March 31, 2019 (C)	Change (C) - (A)	Change (C) - (B)
1	Ordinary income	52,237	29,657	55,032	2,794	-
2	Net premiums written	34,469	18,760	35,004	534	-
	Change ratio	1.2 %	0.6 %	1.6 %	0.4 %	1.0 %
3	Life insurance premiums	10,582	6,571	12,868	2,285	-
	Change ratio	(15.6)%	28.6 %	21.6 %	37.2 %	(7.0)%
4	Ordinary profit	2,115	753	2,908	792	-
5	Net income attributable to owners of the parent	1,540	463	1,927	386	-

- (Note) Ordinary income and net premiums written are presented exclusive of Good Result Return premiums of Mitsui Sumitomo Insurance's proprietary automobile insurance product "ModoRich", which contains a special clause related to premium adjustment and refund at maturity.

2. Other Information**(a) Impairment losses on securities**

(Yen in 100 millions)

	Year ended March 31, 2018	Six months ended September 30, 2018	Year ended March 31, 2019
Domestic bonds	-	-	-
Domestic stocks	0	19	39
Foreign securities	5	0	1
Other securities	4	-	-
Total	10	19	40

Rules for recognition of impairment

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

(b) Impairment losses on fixed assets

(Yen in 100 millions)

	Year ended March 31, 2018	Six months ended September 30, 2018	Year ended March 31, 2019
Land	4	0	2
Buildings	4	0	2
Others	-	-	1
Total	8	0	6

(c) Unrealized gains and losses on investments in securities

(Yen in 100 millions)

	March 31, 2018	September 30, 2018	March 31, 2019
Domestic bonds	1,508	1,301	1,563
Domestic stocks	12,683	13,284	10,554
Foreign securities	(21)	132	121
Other securities	26	26	28
Total	14,197	14,745	12,267

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

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

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

(Yen in 100 millions)

	Year ended March 31, 2018	Six months ended September 30, 2018	Year ended March 31, 2019
Direct claims paid	367	315	2,980
Net claims paid	348	283	965
Outstanding claims	78	577	124

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

(e) Catastrophe reserve

(Yen in 100 millions)

Lines of insurance	March 31, 2018			September 30, 2018			March 31, 2019		
	Balance	Reserve Ratio	Provision	Balance	Reserve Ratio	Provision	Balance	Reserve Ratio	Provision
Fire and allied	1,294	66.0 %	98	1,233	60.7 %	51	890	44.9 %	413
Marine	798	132.0 %	28	812	126.2 %	14	813	130.6 %	14
Personal accident	723	49.0 %	46	748	47.1 %	25	771	51.0 %	47
Voluntary automobile	764	11.6 %	211	871	13.1 %	106	871	13.3 %	210
Other	1,865	74.1 %	137	1,934	67.2 %	80	1,878	70.9 %	98
Total	5,446	41.4 %	522	5,600	40.7 %	277	5,224	39.2 %	785

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

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

2. Provision = gross provision

(f) Reinsurance assumed

(Yen in 100 millions)

Lines of insurance	Year ended March 31, 2018		Year ended March 31, 2019	
	Net reinsurance assumed premiums written	Net reinsurance assumed claims paid	Net reinsurance assumed premiums written	Net reinsurance assumed claims paid
Fire and allied	308	249	318	187
Marine	150	81	154	63
Personal accident	9	6	13	6
Voluntary automobile	33	23	38	31
Compulsory automobile liability	1,375	1,351	1,307	1,329
Other	190	140	199	112
Total	2,069	1,851	2,032	1,732

(g) Reinsurance ceded

(Yen in 100 millions)

Lines of insurance	Year ended March 31, 2018		Year ended March 31, 2019	
	Net reinsurance ceded premiums written	Net reinsurance ceded claims paid	Net reinsurance ceded premiums written	Net reinsurance ceded claims paid
Fire and allied	1,044	315	1,284	2,164
Marine	349	155	360	258
Personal accident	107	56	107	52
Voluntary automobile	84	44	106	195
Compulsory automobile liability	1,211	1,255	1,223	1,216
Other	609	268	633	316
Total	3,406	2,095	3,715	4,203

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

1. Basic Information

(Yen in 100 millions)

		Year ended March 31, 2018 (A)	Six months ended September 30, 2018 (B)	Year ended March 31, 2019 (C)	Change (C) - (A)	Change (C) - (B)
1	Net premiums written	12,220	6,238	12,335	115	-
	Change ratio	1.8 %	(1.0)%	0.9 %	(0.9)%	1.9 %
2	Total assets	34,866	35,569	34,109	(756)	(1,459)
3	Net loss ratio	59.2 %	60.0 %	67.8 %	8.6 %	7.8 %
4	Net expense ratio	33.4 %	32.9 %	33.8 %	0.4 %	0.9 %
5	Combined ratio	92.6 %	92.9 %	101.6 %	9.0 %	8.7 %
	Underwriting result ratio	7.4 %	7.1 %	(1.6)%	(9.0)%	(8.7)%
6	Voluntary automobile insurance					
	Net premiums written	6,840	3,462	6,850	10	-
	Change ratio	0.5 %	(0.2)%	0.1 %	(0.4)%	0.3 %
	Underwriting result ratio	9.4 %	10.6 %	7.1 %	(2.3)%	(3.5)%
	Net loss ratio	58.2 %	57.6 %	60.3 %	2.1 %	2.7 %
	Net expense ratio	32.4 %	31.8 %	32.6 %	0.2 %	0.8 %
7	Fire and allied insurance					
	Net premiums written	1,744	907	1,838	94	-
	Change ratio	14.0 %	(0.2)%	5.4 %	(8.6)%	5.6 %
	Underwriting result ratio	(0.4)%	(12.2)%	(47.5)%	(47.1)%	(35.3)%
	Net loss ratio	59.8 %	72.3 %	106.5 %	46.7 %	34.2 %
	Net expense ratio	40.6 %	39.9 %	41.0 %	0.4 %	1.1 %
8	Number of employees	13,287	13,753	13,657	370	(96)
9	Number of agencies	48,265	48,251	48,100	(165)	(151)

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

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

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

4. Underwriting result ratio = 100 - combined ratio

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

Please refer to page 40.

2. Other Information**(a) Impairment losses on securities**

(Yen in 100 millions)

	Year ended March 31, 2018	Six months ended September 30, 2018	Year ended March 31, 2019
Domestic bonds	-	-	-
Domestic stocks	22	3	20
Foreign securities	467	-	-
Other securities	-	-	-
Total	490	3	20

Rules for recognition of impairment

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

(b) Impairment losses on fixed assets

(Yen in 100 millions)

	Year ended March 31, 2018	Six months ended September 30, 2018	Year ended March 31, 2019
Land	2	7	7
Buildings	17	7	8
Others	-	-	-
Total	19	14	15

(c) Unrealized gains and losses on investments in securities

(Yen in 100 millions)

	March 31, 2018	September 30, 2018	March 31, 2019
Domestic bonds	613	529	644
Domestic stocks	4,851	5,227	3,960
Foreign securities	270	369	410
Other securities	53	74	47
Total	5,788	6,200	5,063

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

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

(Yen in 100 millions)

	Year ended March 31, 2018	Six months ended September 30, 2018	Year ended March 31, 2019
Direct claims paid	244	198	1,944
Net claims paid	235	185	956
Outstanding claims	67	724	62

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

(e) Catastrophe reserve

(Yen in 100 millions)

Lines of insurance	March 31, 2018			September 30, 2018			March 31, 2019		
	Balance	Reserve Ratio	Provision	Balance	Reserve Ratio	Provision	Balance	Reserve Ratio	Provision
Fire and allied	1,374	79.0 %	142	1,348	74.4 %	73	749	40.8 %	298
Marine	140	187.5 %	1	141	158.7 %	0	137	168.7 %	1
Personal accident	670	109.4 %	19	681	102.0 %	10	691	108.1 %	20
Voluntary automobile	542	7.9 %	219	625	9.0 %	110	533	7.8 %	219
Other	695	54.5 %	62	723	52.0 %	34	736	55.3 %	64
Total	3,424	32.5 %	444	3,519	32.3 %	230	2,848	26.5 %	604

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

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

2. Provision = gross provision

(f) Reinsurance assumed

(Yen in 100 millions)

Lines of insurance	Year ended March 31, 2018		Year ended March 31, 2019	
	Net reinsurance assumed premiums written	Net reinsurance assumed claims paid	Net reinsurance assumed premiums written	Net reinsurance assumed claims paid
Fire and allied	506	239	547	388
Marine	77	31	83	46
Personal accident	29	15	46	20
Voluntary automobile	250	155	272	176
Compulsory automobile liability	1,175	1,174	1,095	1,143
Other	411	236	263	136
Total	2,451	1,853	2,308	1,911

(g) Reinsurance ceded

(Yen in 100 millions)

Lines of insurance	Year ended March 31, 2018		Year ended March 31, 2019	
	Net reinsurance ceded premiums written	Net reinsurance ceded claims paid	Net reinsurance ceded premiums written	Net reinsurance ceded claims paid
Fire and allied	729	107	877	1,222
Marine	1	8	1	0
Personal accident	68	19	74	23
Voluntary automobile	22	10	26	76
Compulsory automobile liability	1,258	1,329	1,268	1,305
Other	573	309	419	169
Total	2,653	1,785	2,668	2,797

(Reference)

Incurred Losses (Estimate) Caused by Natural Disasters in Japan of Two Main Consolidated Domestic Non-Life Insurance Subsidiaries

- Sum of Mitsui Sumitomo Insurance and Aioi Nissay Dowa Insurance.

	Items	Final number of claim payments (Estimate)	Final incurred losses (Estimate)
		(in 10 thousands)	(Yen in 100 millions)
Heavy Rain of July 2018 (including Typhoon “Prapiroon”)	1	Approximately 2	779
Typhoon “Jebi”	2	Approximately 27	4,364
Typhoon “Trami”	3	Approximately 12	1,044
Subtotal	4	Approximately 42	6,188
Other	5		362
Total of the above incurred losses on a direct basis	6		6,550
Reinsurance recoveries	7		(4,442)
Net incurred losses	8		2,108

(Notes) 1. Co-insurance policies which another insurer other than MSI and ADI issued as a lead underwriter are not included.

2. Residential earthquake insurance policies are not included.