

SUMMARY OF FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED DECEMBER 31, 2021

February 14, 2022

Name of Listed Company: **MS&AD Insurance Group Holdings, Inc.**
 Stock Exchange Listing: Tokyo Stock Exchange and Nagoya Stock Exchange
 Securities Code Number: 8725
 URL: <https://www.ms-ad-hd.com>
 Representative: Noriyuki Hara, President & CEO
 Contact: Corporate Communications and Investor Relations Dept.
<https://www.ms-ad-hd.com/en/ir/contact.html>
 Scheduled date to file the Quarterly Securities Report: February 14, 2022
 Scheduled date to commence dividend payments: -
 Explanatory material for business results: Available
 IR Conference (for institutional investors and analysts): To be held

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

1. Consolidated Financial Highlights for the Nine Months Ended December 31, 2021 (April 1, 2021 to December 31, 2021)

(1) Consolidated business performance

(Yen in millions)

	Ordinary income		Ordinary profit		Net income attributable to owners of the parent	
	Amount	Change (%)	Amount	Change (%)	Amount	Change (%)
Nine months ended December 31, 2021	3,738,145	(5.9) %	302,564	37.4 %	204,617	36.4 %
Nine months ended December 31, 2020	3,971,253	(4.1) %	220,258	(16.8) %	150,053	(44.4) %

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

(Note) Comprehensive income For the nine months ended December 31, 2021: ¥ 374,546 million (37.6) %
 For the nine months ended December 31, 2020: ¥ 599,793 million 51.0 %

(Yen)

	Net income attributable to owners of the parent per share - Basic	Net income attributable to owners of the parent per share - Diluted
Nine months ended December 31, 2021	368.31	368.15
Nine months ended December 31, 2020	265.30	265.15

(2) Consolidated financial conditions

(Yen in millions)

	Total assets	Net assets	Ratio of net assets less non-controlling interests to total assets
December 31, 2021	24,970,550	3,384,720	13.4 %
March 31, 2021	24,142,562	3,126,657	12.8 %

(Reference) Net assets less non-controlling interests As of December 31, 2021: ¥ 3,342,238 million
 As of March 31, 2021: ¥ 3,084,349 million

2. Dividends

(Yen)

	Dividends per share				
	1st quarter	2nd quarter	3rd quarter	4th quarter	Annual total
Year ended March 31, 2021	-	75.00	-	80.00	155.00
Year ending March 31, 2022	-	82.50	-		
Year ending March 31, 2022 (Forecast)				82.50	165.00

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

3. Consolidated Earnings Forecasts for the Year Ending March 31, 2022 (April 1, 2021 to March 31, 2022)

(Yen in millions)

	Ordinary profit		Net income attributable to owners of the parent		Net income attributable to owners of the parent per share (Yen)
	Amount	Change (%)	Amount	Change (%)	Amount
Year ending March 31, 2022	330,000	7.7 %	230,000	59.3 %	415.14

Percent figures represent changes from the preceding year.

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

*** Notes**

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

(2) Adoption of special accounting methods allowed to be applied to quarterly consolidated financial statements: Yes
(Note) For details, please refer to “Adoption of Special Accounting Methods Allowed to be Applied to Quarterly Consolidated Financial Statements” on page 5 of the Appendix.

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

1. Changes in accounting policies due to revisions of accounting standards: Yes
2. Changes in accounting policies other than above: None
3. Changes in accounting estimates: None
4. Restatements: None

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

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

As of December 31, 2021:	593,632,891 shares
As of March 31, 2021:	593,473,207 shares
2. Number of shares of treasury stock

As of December 31, 2021:	41,874,326 shares
As of March 31, 2021:	35,263,101 shares
3. Average number of shares of outstanding stock

For the nine months ended December 31, 2021:	555,555,142 shares
For the nine months ended December 31, 2020:	565,599,265 shares

*** This report is outside the scope of the external auditor's quarterly review.**

*** Notes to the earnings forecasts**

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

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Consolidated Financial Statements and Main Notes

1. Consolidated Balance Sheets

(Yen in millions)

	March 31, 2021	December 31, 2021
Assets		
Cash, deposits and savings	2,057,789	2,320,602
Receivables under resale agreements	1,999	1,999
Monetary claims bought	175,740	145,611
Money trusts	1,717,804	1,983,707
Investments in securities	16,793,584	17,024,939
Loans	960,174	954,161
Tangible fixed assets	494,818	489,223
Intangible fixed assets	431,929	435,121
Other assets	1,436,401	1,535,159
Assets for retirement benefits	26,768	29,689
Deferred tax assets	30,549	32,979
Customers' liabilities under acceptances and guarantees	28,500	27,000
Bad debt reserve	(13,498)	(9,645)
Total assets	24,142,562	24,970,550
Liabilities		
Policy liabilities:	18,107,028	18,415,955
Outstanding claims	2,256,900	2,384,086
Underwriting reserves	15,850,128	16,031,869
Bonds issued	809,093	889,093
Other liabilities	1,602,349	1,773,902
Liabilities for pension and retirement benefits	160,828	147,406
Reserve for retirement benefits for officers	241	177
Accrued bonuses for employees	28,256	8,664
Reserves under the special laws:	244,975	252,863
Reserve for price fluctuation	244,975	252,863
Deferred tax liabilities	34,630	70,766
Acceptances and guarantees	28,500	27,000
Total liabilities	21,015,905	21,585,830
Net assets		
Shareholders' equity:		
Common stock	100,276	100,534
Capital surplus	553,428	553,680
Retained earnings	1,078,850	1,193,098
Treasury stock	(119,267)	(141,964)
Total shareholders' equity	1,613,287	1,705,348
Accumulated other comprehensive income:		
Net unrealized gains/(losses) on investments in securities	1,630,325	1,718,957
Net deferred gains/(losses) on hedges	14,997	8,092
Foreign currency translation adjustments	(178,080)	(92,840)
Accumulated actuarial gains/(losses) on retirement benefits	3,819	2,681
Total accumulated other comprehensive income	1,471,062	1,636,890
Stock acquisition rights	1,019	762
Non-controlling interests	41,288	41,719
Total net assets	3,126,657	3,384,720
Total liabilities and net assets	24,142,562	24,970,550

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

(Yen in millions)

	Nine months ended December 31, 2020	Nine months ended December 31, 2021
Ordinary income:	3,971,253	3,738,145
Underwriting income:	2,932,691	3,226,422
Net premiums written	2,678,760	2,747,086
Deposit premiums from policyholders	61,783	41,852
Investment income on deposit premiums from policyholders	28,530	25,791
Life insurance premiums	156,426	400,584
Investment income:	1,027,348	490,316
Interest and dividends income	229,816	236,930
Investment gains on money trusts	168,694	70,453
Investment gains on trading securities	24,484	22,331
Gains on sales of securities	122,560	77,595
Investment gains on separate accounts	237,070	75,769
Transfer of investment income on deposit premiums from policyholders	(28,530)	(25,791)
Other ordinary income	11,213	21,406
Ordinary expenses:	3,750,995	3,435,580
Underwriting expenses:	3,133,392	2,850,575
Net claims paid	1,410,379	1,440,651
Loss adjustment expenses	137,735	145,539
Commissions and collection expenses	550,235	543,892
Maturity refunds to policyholders	171,551	135,254
Life insurance claims	277,300	361,381
Provision for outstanding claims	86,194	63,056
Provision for underwriting reserves	486,173	157,853
Investment expenses:	94,773	59,426
Investment losses on money trusts	37,812	314
Losses on sales of securities	5,864	8,401
Impairment losses on securities	12,807	31,809
Losses on derivative transactions	36,233	15,036
Operating expenses and general and administrative expenses	502,277	508,175
Other ordinary expenses:	20,551	17,403
Interest expense	10,832	11,776
Ordinary profit	220,258	302,564
Extraordinary income:	9,041	2,213
Gains on sales of fixed assets	809	2,213
Gains on change in equity	118	-
Reversal of reserve for losses on sales of shares of subsidiaries and associates	8,113	-
Extraordinary losses:	24,366	17,562
Losses on sales of fixed assets	3,606	3,489
Impairment losses on fixed assets	1,597	1,435
Provision for reserves under the special laws:	17,915	7,887
Provision for reserve for price fluctuation	17,915	7,887
Losses on reduction of tangible fixed assets	0	-
Losses on change in equity	1,246	-
Other extraordinary losses	-	4,750
Income before income taxes	204,932	287,214
Income taxes	52,098	79,881
Net income	152,834	207,333
Net income attributable to non-controlling interests	2,780	2,716
Net income attributable to owners of the parent	150,053	204,617

(Consolidated Statements of Comprehensive Income)

(Yen in millions)

	Nine months ended December 31, 2020	Nine months ended December 31, 2021
Net income	152,834	207,333
Other comprehensive income:		
Net unrealized gains/(losses) on investments in securities	495,838	91,372
Net deferred gains/(losses) on hedges	(8,508)	(6,684)
Foreign currency translation adjustments	(46,354)	77,183
Accumulated actuarial gains/(losses) on retirement benefits	(1,859)	(1,136)
Share of other comprehensive income of equity method investments	7,843	6,478
Total other comprehensive income	<u>446,959</u>	<u>167,212</u>
Total comprehensive income	<u>599,793</u>	<u>374,546</u>
Allocation:		
Comprehensive income attributable to owners of the parent	599,263	370,444
Comprehensive income attributable to non-controlling interests	530	4,101

3. Notes to Consolidated Financial Statements

(Notes to Going Concern Assumptions)

Not applicable.

(Notes to Significant Changes in Shareholders' Equity)

Not applicable.

(Adoption of Special Accounting Methods Allowed to be Applied to Quarterly Consolidated Financial Statements)

(Calculation of income tax expenses)

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

(Changes in Accounting Policies)

(Application of “Accounting Standard for Fair Value Measurement” and Others)

The Group has applied “Accounting Standard for Fair Value Measurement” (ASBJ Statement No.30, July 4, 2019), “Implementation Guidance on Accounting Standard for Fair Value Measurement” (ASBJ Guidance No.31, June 17, 2021) and others since the beginning of the period for the three months ended June 30, 2021.

In accordance with transitional measures set forth in Paragraph 19 of “Accounting Standards for Fair Value Measurement”, Paragraph 44-2 of “Accounting Standard for Financial Instruments” (ASBJ Statement No.10, July 4, 2019)

and Paragraph 27-2 of “Implementation Guidance on Accounting Standard for Fair Value Measurement”, the Group has applied new accounting policies prescribed by “Accounting Standard for Fair Value Measurement” and others prospectively since the beginning of the period for the three months ended June 30, 2021.

As a result, part of investment trusts for which it is deemed to be extremely difficult to determine the fair value that were recorded on consolidated balance sheets at cost have been changed to be recorded on consolidated balance sheets at fair value.

Explanatory Material for Business Results

1. Summary of Consolidated Business Results

(1) Consolidated Business Results

(Yen in 100 millions)

	Items	Nine months ended December 31, 2020	Nine months ended December 31, 2021	Change	Change ratio
Net premiums written (non-life insurance)	1	26,787	27,470	683	2.6
Mitsui Sumitomo Insurance	2	11,684	11,787	103	0.9
Aioi Nissay Dowa Insurance	3	9,603	9,700	96	1.0
Simple sum	4	21,288	21,488	199	0.9
Mitsui Direct General Insurance	5	265	257	(7)	(2.9)
Overseas insurance subsidiaries	6	5,233	5,725	491	9.4
Insurance premiums (domestic life insurance)	7	8,859	10,313	1,453	16.4
Mitsui Sumitomo Aioi Life Insurance	8	3,758	3,705	(53)	(1.4)
Mitsui Sumitomo Primary Life Insurance	9	5,101	6,608	1,506	29.5
Ordinary profit	10	2,202	3,025	823	37.4
Net income attributable to owners of the parent	11	1,500	2,046	545	36.4
Mitsui Sumitomo Insurance	12	835	1,103	267	32.1
Aioi Nissay Dowa Insurance	13	298	523	225	75.6
Simple sum	14	1,133	1,627	493	43.5
Mitsui Direct General Insurance	15	21	20	(1)	(7.7)
Mitsui Sumitomo Aioi Life Insurance	16	127	170	43	34.0
Mitsui Sumitomo Primary Life Insurance	17	359	370	10	3.0
Overseas insurance subsidiaries	18	(90)	141	231	-
Others, consolidation adjustments, etc.	19	(52)	(283)	(231)	-

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

The figures in the tables below are presented as simple sum of Mitsui Sumitomo Insurance Co., Ltd. and Aioi Nissay Dowa Insurance Co., Ltd.

(Yen in 100 millions)

	Items	Nine months ended December 31, 2020	Nine months ended December 31, 2021	Change	Change ratio %
(+)	Net premiums written	21,288	21,488	199	0.9
(-)	Net claims paid	11,307	11,411	103	0.9
(-)	Loss adjustment expenses	1,226	1,309	83	6.8
(-)	Commissions and collection expenses	4,169	4,276	107	2.6
(-)	Operating expenses and general and administrative expenses for underwriting	2,962	2,967	4	0.2
	Underwriting profit before movements in reserves	1,622	1,523	(99)	(6.1)
(-)	Movement in outstanding claims	252	330	77	30.6
(-)	Movement in ordinary underwriting reserves	320	(168)	(489)	(152.4)
(+)	Other	66	129	62	94.6
	Underwriting profit before movement in catastrophe reserve	1,115	1,490	375	33.7
(-)	Movement in catastrophe reserve	574	593	18	3.2
	Underwriting profit	540	897	357	66.1
(+)	Interest and dividends income	1,230	1,497	267	21.7
(-)	Transfer of investment income on deposit premiums from policyholders	325	292	(33)	(10.3)
	Net interest and dividends income (item 13 - item 14)	904	1,205	300	33.3
(+)	Gains/(losses) on sales of securities	422	577	154	36.6
(-)	Impairment losses on securities	40	311	271	672.7
(+)	Other	(61)	(58)	3	-
	Investment profit	1,225	1,413	187	15.3
(+)	Other ordinary profit/(loss)	(93)	(97)	(4)	-
	Ordinary profit	1,672	2,213	540	32.3
(+)	Extraordinary income/(losses):	(94)	(130)	(35)	-
	Gains/(losses) on reserve for price fluctuation	(44)	(44)	(0)	-
	Income before income taxes	1,578	2,082	504	32.0
(-)	Income taxes	444	455	11	2.5
	Net income	1,133	1,627	493	43.5

Ratios	Net loss ratio	Note 1	27	58.9 %	59.2 %	0.3 %
	Net expense ratio	Note 2	28	33.5 %	33.7 %	0.2 %
	Combined ratio	Note 3	29	92.4 %	92.9 %	0.5 %

Incurred losses (including loss adjustment expenses)	Note 4, 5	30	10,925	11,371	446	4.1
	EL loss ratio	Note 4, 6	31	58.6 %	58.9 %	0.3 %

- (Notes) 1. Net loss ratio = (net claims paid + loss adjustment expenses) / net premiums written x 100
2. Net expense ratio = (commissions and collection expenses + operating expenses and general and administrative expenses for underwriting) / net premiums written x 100
3. Combined ratio = net loss ratio + net expense ratio
4. 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. EL 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	Nine months ended December 31, 2020	Nine months ended December 31, 2021	Change	Change ratio
Amount of new policies ^(Note)	1	13,051	13,031	(20)	(0.2) %
Annualized premiums of new policies	2	192	204	12	6.3 %
Amount of policies in force ^(Note)	3	(As of the beginning of the FY2021) 242,669	239,735	(Change from the beginning of the FY2021) (2,934)	(1.2) %
Annualized premiums for policies in force	4	(As of the beginning of the FY2021) 4,479	4,452	(Change from the beginning of the FY2021) (26)	(0.6) %
Insurance premiums	5	3,758	3,705	(53)	(1.4) %
Ordinary profit	6	209	273	64	30.5 %
Extraordinary income/(losses)	7	(8)	(9)	(1)	-
Net income	8	127	170	43	34.0 %

(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	Nine months ended December 31, 2020	Nine months ended December 31, 2021	Change	Change ratio
Amount of new policies ^(Note)	1	5,099	6,644	1,545	30.3 %
Amount of policies in force ^(Note)	2	(As of the beginning of the FY2021) 65,958	66,072	(Change from the beginning of the FY2021) 114	0.2 %
Insurance premiums	3	5,101	6,608	1,506	29.5 %
Ordinary profit	4	624	535	(89)	(14.3) %
Extraordinary income/(losses)	5	(127)	(24)	102	-
Net income	6	359	370	10	3.0 %

(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	Nine months ended December 31, 2020	Nine months ended December 31, 2021	Change	Change ratio
Net premiums written	1	5,233	5,725	491	9.4
Asia	2	1,285	1,306	21	1.6
Europe	3	3,645	4,080	434	11.9
Americas	4	302	338	35	11.8
Net income/(loss) attributable to owners of the parent	5	(90)	141	231	-
Asia	6	205	230	25	12.2
Europe	7	(292)	(258)	34	-
Americas	8	33	39	5	17.6
International life insurance	9	(36)	129	166	-

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

(1) Business Results

(Yen in 100 millions)

	Items	Nine months ended December 31, 2020	Nine months ended December 31, 2021	Change	Change ratio %
(+)	Net premiums written	11,684	11,787	103	0.9
(-)	Net claims paid	6,245	6,167	(77)	(1.2)
(-)	Loss adjustment expenses	701	730	29	4.2
(-)	Commissions and collection expenses	2,198	2,257	58	2.7
(-)	Operating expenses and general and administrative expenses for underwriting	1,595	1,610	14	0.9
	Underwriting profit before movements in reserves	942	1,021	78	8.3
(-)	Movement in outstanding claims	121	308	186	153.7
(-)	Movement in ordinary underwriting reserves	118	(146)	(264)	(223.9)
(+)	Other	21	45	23	109.4
	Underwriting profit before movement in catastrophe reserve	725	905	179	24.8
(-)	Movement in catastrophe reserve	270	397	127	47.0
	Underwriting profit	455	507	52	11.6
(+)	Interest and dividends income	802	1,065	262	32.7
(-)	Transfer of investment income on deposit premiums from policyholders	217	195	(22)	(10.3)
	Net interest and dividends income (item 13 - item 14)	585	870	284	48.7
(+)	Gains/(losses) on sales of securities	303	473	169	55.7
(-)	Impairment losses on securities	27	274	247	906.0
(+)	Other	(2)	(45)	(42)	-
	Investment profit	858	1,023	164	19.1
(+)	Other ordinary profit/(loss)	(67)	(76)	(9)	-
	Ordinary profit	1,246	1,454	207	16.6
(+)	Extraordinary income/(losses)	(31)	(75)	(43)	-
	Gains/(losses) on reserve for price fluctuation	(30)	(30)	(0)	-
	Income before income taxes	1,215	1,379	163	13.5
(-)	Income taxes	379	275	(104)	(27.5)
	Net income	835	1,103	267	32.1

Ratios	Net loss ratio	Note 1	27	59.5 %	58.5 %	(1.0) %	
	Net expense ratio	Note 2	28	32.5 %	32.8 %	0.3 %	
	Combined ratio	Note 3	29	92.0 %	91.3 %	(0.7) %	

Incurred losses (including loss adjustment expenses)	Note 4, 5	30	6,054	6,290	235	3.9
	EI loss ratio	Note 4, 6	31	58.6 %	58.8 %	0.2 %

- (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. 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.

(2) Premiums written

(Yen in 100 millions)

	Net premiums written				Direct premiums written (excluding deposit premiums from policyholders)			
	Nine months ended December 31, 2020		Nine months ended December 31, 2021		Nine months ended December 31, 2020		Nine months ended December 31, 2021	
	Amount	Change ratio %	Amount	Change ratio %	Amount	Change ratio %	Amount	Change ratio %
Fire and allied	1,763	17.2	1,722	(2.3)	2,763	10.8	2,662	(3.7)
Marine	386	(16.6)	448	16.0	588	(10.8)	679	15.5
Personal accident	1,069	(0.6)	1,093	2.3	1,090	(5.7)	1,122	3.0
Voluntary automobile	5,107	2.0	5,152	0.9	5,169	2.2	5,220	1.0
CALI	1,188	(15.0)	1,113	(6.3)	1,062	(17.1)	1,003	(5.6)
Other	2,169	3.9	2,257	4.0	2,648	7.6	2,742	3.6
Total	11,684	1.3	11,787	0.9	13,322	1.6	13,431	0.8

(3) Net claims paid

(Yen in 100 millions)

	Nine months ended December 31, 2020			Nine months ended December 31, 2021			
	Amount	Change ratio %	Net loss ratio %	Amount	Change ratio %	Net loss ratio %	Change %
Fire and allied	1,035	(23.5)	61.2	1,017	(1.8)	61.8	0.6
Marine	276	12.1	74.5	220	(20.1)	51.6	(22.9)
Personal accident	516	(3.0)	53.0	516	(0.1)	52.1	(0.9)
Voluntary automobile	2,374	(9.6)	55.4	2,433	2.5	56.5	1.1
CALI	882	(7.6)	82.2	811	(8.0)	81.1	(1.1)
Other	1,159	8.7	55.7	1,167	0.7	54.0	(1.7)
Total	6,245	(7.9)	59.5	6,167	(1.2)	58.5	(1.0)

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

(Reference) Incurred losses caused by natural disasters in Japan

(Yen in 100 millions)

	Nine months ended December 31, 2020			Nine months ended December 31, 2021		
	Incurred losses	Net claims paid	Outstanding claims	Incurred losses	Net claims paid	Outstanding claims
Fire and allied	323	232	90	192	122	70
Voluntary automobile	18	22	(4)	11	11	0
Other	18	15	3	14	7	6
Total	360	270	90	218	141	76

(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	Nine months ended December 31, 2020			Nine months ended December 31, 2021		
		Amount	Change	Change ratio %	Amount	Change	Change ratio %
Personnel expenses	1	1,235	(10)	(0.9)	1,178	(57)	(4.6)
Non-personnel expenses	2	1,056	77	7.9	1,158	101	9.6
Taxes and contributions	3	98	3	4.1	104	5	6.0
Total	4	2,390	70	3.0	2,440	50	2.1

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

<Expenses for underwriting>

(Yen in 100 millions)

	Items	Nine months ended December 31, 2020			Nine months ended December 31, 2021		
		Amount	Change	Change ratio %	Amount	Change	Change ratio %
Operating expenses and general and administrative expenses	5	1,595	25	1.6	1,610	14	0.9
Commissions and collection expenses	6	2,198	121	5.8	2,257	58	2.7
Total	7	3,794	146	4.0	3,868	73	1.9
Net expense ratio	8	32.5 %	0.9 %		32.8 %	0.3 %	

(5) Catastrophe reserve

(Yen in 100 millions)

	March 31, 2021		December 31, 2021			
	Balance	Reserve ratio	Reversal	Provision	Balance	Reserve ratio
		%				%
Fire and allied	1,009	43.3	45	171	1,135	49.5
Marine	800	150.9	-	10	811	135.8
Personal accident	794	54.5	-	35	830	56.9
Voluntary automobile	1,197	17.5	-	165	1,362	19.8
Other	1,964	68.6	9	69	2,024	67.3
Total	5,767	41.1	54	452	6,164	43.3

(Note) Reserve ratio = catastrophe reserve / net premiums written (excluding premiums of residential earthquake insurance and CALI) x 100
Reserve ratio for December 31, 2021 is calculated on an annualized basis using net premiums written multiplied by four thirds as a denominator.

(6) Investment assets

(Yen in 100 millions)

	March 31, 2021	December 31, 2021	
			Change
Cash, deposits and savings	4,904	8,027	3,122
Investments in securities:	54,943	56,082	1,139
Domestic bonds	15,078	14,845	(232)
Domestic stocks	18,936	19,628	691
Foreign securities	20,147	20,618	470
Other securities	781	990	209
Loans	4,233	4,087	(146)
Land and buildings	1,870	1,849	(20)
Total	65,952	70,047	4,094

(Reference)

Long-term investment assets	9,526	9,031	(494)
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(7) Breakdown of interest and dividends income

(Yen in 100 millions)

	Nine months ended December 31, 2020	Nine months ended December 31, 2021	
			Change
Investments in securities:	730	997	267
Domestic bonds	113	111	(2)
Domestic stocks	389	443	53
Foreign securities	213	389	176
Other securities	13	52	39
Loans	20	18	(1)
Land and buildings	47	46	(1)
Other	5	3	(1)
Total	802	1,065	262

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

(Yen in 100 millions)

December 31, 2021	Cost	Fair value	Difference	Change from March 31, 2021
Domestic bonds	13,783	14,845	1,062	(65)
Domestic stocks	5,285	19,240	13,955	929
Foreign securities	5,676	6,649	973	636
Other securities	530	580	49	(10)
Total	25,276	41,317	16,041	1,490

(Notes) 1. The above tables describe available-for-sale securities (excluding Stocks and other securities without a market price and Partnership investments).

2. "Other securities" includes loan receivable trust beneficiary certificates included in Monetary claims bought on the balance sheets.

(Yen in 100 millions)

March 31, 2021	Cost	Fair value	Difference
Domestic bonds	13,950	15,078	1,127
Domestic stocks	5,517	18,544	13,026
Foreign securities	4,840	5,176	336
Other securities	319	379	60
Total	24,627	39,178	14,550

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

2. "Other securities" includes loan receivable trust beneficiary certificates included in Monetary claims bought on the balance sheets.

Gains and losses on sales of securities

(Yen in 100 millions)

	Nine months ended December 31, 2020 Gains/(losses)	Nine months ended December 31, 2021 Gains/(losses)	Gains and Losses	
			Gains	Losses
Domestic bonds	5	5	5	0
Domestic stocks	267	362	364	1
Foreign securities	30	103	105	2
Other securities	0	1	1	-
Total	303	473	477	4

Impairment losses on securities

(Yen in 100 millions)

	Nine months ended December 31, 2020	Nine months ended December 31, 2021	Change
Domestic bonds	-	-	-
Domestic stocks	27	22	(4)
Foreign securities	-	252	252
Other securities	-	-	-
Total	27	274	247

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

(1) Business Results

(Yen in 100 millions)

	Items	Nine months ended December 31, 2020	Nine months ended December 31, 2021	Change	Change ratio
(+)	Net premiums written	9,603	9,700	96	1.0
(-)	Net claims paid	5,062	5,243	181	3.6
(-)	Loss adjustment expenses	525	578	53	10.2
(-)	Commissions and collection expenses	1,970	2,018	48	2.5
(-)	Operating expenses and general and administrative expenses for underwriting	1,366	1,356	(9)	(0.7)
	Underwriting profit before movements in reserves	679	502	(177)	(26.1)
(-)	Movement in outstanding claims	131	22	(109)	(83.2)
(-)	Movement in ordinary underwriting reserves	202	(21)	(224)	(110.8)
(+)	Other	44	83	38	87.3
	Underwriting profit before movement in catastrophe reserve	389	585	195	50.2
(-)	Movement in catastrophe reserve	304	195	(108)	(35.7)
	Underwriting profit	85	389	304	356.3
(+)	Interest and dividends income	427	432	4	1.1
(-)	Transfer of investment income on deposit premiums from policyholders	108	97	(11)	(10.4)
	Net interest and dividends income (item 13 - item 14)	319	335	15	5.0
(+)	Gains/(losses) on sales of securities	118	104	(14)	(12.3)
(-)	Impairment losses on securities	13	36	23	182.8
(+)	Other	(58)	(12)	45	-
	Investment profit	366	390	23	6.3
(+)	Other ordinary profit/(loss)	(25)	(20)	5	-
	Ordinary profit	426	759	332	78.1
(+)	Extraordinary income/(losses):	(63)	(55)	7	-
	Gains/(losses) on reserve for price fluctuation	(13)	(13)	(0)	-
	Income before income taxes	363	703	340	93.8
(-)	Income taxes	65	180	115	177.3
	Net income	298	523	225	75.6

Ratios	Net loss ratio	Note 1	27	58.2 %	60.0 %	1.8 %
	Net expense ratio	Note 2	28	34.7 %	34.8 %	0.1 %
	Combined ratio	Note 3	29	92.9 %	94.8 %	1.9 %

Incurred losses (including loss adjustment expenses)	Note 4, 5	30	4,871	5,081	210	4.3
	EL loss ratio	Note 4, 6	31	58.6 %	59.0 %	0.4 %

- (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.
5. Incurred losses (including loss adjustment expenses) = net claims paid + loss adjustment expenses + movement in outstanding claims
6. EL 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)			
	Nine months ended December 31, 2020		Nine months ended December 31, 2021		Nine months ended December 31, 2020		Nine months ended December 31, 2021	
	Amount	Change ratio %	Amount	Change ratio %	Amount	Change ratio %	Amount	Change ratio %
Fire and allied	1,557	2.0	1,463	(6.0)	2,056	7.6	1,980	(3.7)
Marine	50	(11.9)	48	(3.4)	0	(99.7)	-	(100.0)
Personal accident	442	1.8	453	2.6	476	2.8	501	5.1
Voluntary automobile	5,448	2.2	5,608	2.9	5,225	3.3	5,316	1.7
CALI	1,078	(12.9)	1,036	(3.9)	1,134	(16.1)	1,085	(4.4)
Other	1,027	(0.9)	1,089	6.1	1,217	4.0	1,292	6.2
Total	9,603	(0.2)	9,700	1.0	10,110	1.5	10,175	0.6

(3) Net claims paid

(Yen in 100 millions)

	Nine months ended December 31, 2020			Nine months ended December 31, 2021			
	Amount	Change ratio %	Net loss ratio %	Amount	Change ratio %	Net loss ratio %	Change %
Fire and allied	993	(14.9)	66.9	1,082	9.0	77.6	10.7
Marine	27	(16.3)	54.6	28	2.9	58.5	3.9
Personal accident	191	(0.6)	49.3	198	3.9	49.8	0.5
Voluntary automobile	2,569	(9.7)	53.5	2,695	4.9	55.0	1.5
CALI	742	(8.8)	75.9	678	(8.7)	72.7	(3.2)
Other	538	16.0	55.2	560	4.2	54.5	(0.7)
Total	5,062	(8.2)	58.2	5,243	3.6	60.0	1.8

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

(Reference) Incurred losses caused by natural disasters in Japan

(Yen in 100 millions)

	Nine months ended December 31, 2020			Nine months ended December 31, 2021		
	Incurred losses	Net claims paid	Outstanding claims	Incurred losses	Net claims paid	Outstanding claims
Fire and allied	204	200	4	128	91	37
Voluntary automobile	15	19	(4)	10	10	0
Other	8	4	3	7	3	4
Total	228	224	4	147	105	42

(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	Nine months ended December 31, 2020			Nine months ended December 31, 2021		
		Amount	Change	Change ratio %	Amount	Change	Change ratio %
Personnel expenses	1	949	(10)	(1.1)	980	30	3.2
Non-personnel expenses	2	943	38	4.3	969	25	2.7
Taxes and contributions	3	72	(13)	(15.6)	77	5	7.2
Total	4	1,966	14	0.8	2,027	61	3.1

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

<Expenses for underwriting>

(Yen in 100 millions)

	Items	Nine months ended December 31, 2020			Nine months ended December 31, 2021		
		Amount	Change	Change ratio %	Amount	Change	Change ratio %
Operating expenses and general and administrative expenses	5	1,366	(22)	(1.6)	1,356	(9)	(0.7)
Commissions and collection expenses	6	1,970	61	3.2	2,018	48	2.5
Total	7	3,336	39	1.2	3,375	38	1.2
Net expense ratio	8	34.7 %	0.4 %		34.8 %	0.1 %	

(5) Catastrophe reserve

(Yen in 100 millions)

	March 31, 2021		December 31, 2021			
	Balance	Reserve ratio	Reversal	Provision	Balance	Reserve ratio
		%				%
Fire and allied	923	44.5	264	244	902	46.3
Marine	97	138.9	-	1	98	151.4
Personal accident	680	117.5	-	14	695	115.0
Voluntary automobile	805	11.0	-	179	984	13.2
Other	786	57.8	17	38	807	55.6
Total	3,292	28.9	282	477	3,488	30.2

(Note) Reserve ratio = catastrophe reserve / net premiums written (excluding premiums of residential earthquake insurance and CALI) x 100
Reserve ratio for December 31, 2020 is calculated on an annualized basis using net premiums written multiplied by four thirds as a denominator.

(6) Investment assets

(Yen in 100 millions)

	March 31, 2021	December 31, 2021	
			Change
Cash, deposits and savings	2,037	1,480	(556)
Investments in securities:	26,434	26,601	166
Domestic bonds	7,873	7,817	(56)
Domestic stocks	9,521	9,338	(183)
Foreign securities	8,018	8,320	301
Other securities	1,020	1,125	104
Loans	2,329	2,429	100
Land and buildings	1,703	1,677	(25)
Total	32,504	32,189	(315)

(Reference)

Long-term investment assets	3,252	3,013	(238)
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(7) Breakdown of interest and dividends income

(Yen in 100 millions)

	Nine months ended December 31, 2020	Nine months ended December 31, 2021	
			Change
Investments in securities:	366	377	10
Domestic bonds	58	59	0
Domestic stocks	179	198	19
Foreign securities	109	105	(3)
Other securities	19	14	(5)
Loans	15	16	0
Land and buildings	35	34	(1)
Other	9	4	(5)
Total	427	432	4

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

(Yen in 100 millions)

December 31, 2021	Cost	Fair value	Difference	Change from March 31, 2021
Domestic bonds	7,372	7,817	445	(16)
Domestic stocks	3,633	8,977	5,344	(196)
Foreign securities	6,846	7,486	639	66
Other securities	826	969	142	69
Total	18,679	25,251	6,571	(77)

(Note) The above tables describe available-for-sale securities (excluding Stocks and other securities without a market price and Partnership investments).

(Yen in 100 millions)

March 31, 2021	Cost	Fair value	Difference
Domestic bonds	7,412	7,873	461
Domestic stocks	3,713	9,254	5,540
Foreign securities	6,574	7,147	573
Other securities	821	894	72
Total	18,521	25,170	6,648

(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)

	Nine months ended December 31, 2020 Gains/(losses)	Nine months ended December 31, 2021		
		Gains/(losses)	Gains	Losses
Domestic bonds	8	3	3	0
Domestic stocks	62	65	70	5
Foreign securities	47	35	40	5
Other securities	-	-	-	-
Total	118	104	114	10

Impairment losses on securities

(Yen in 100 millions)

	Nine months ended December 31, 2020	Nine months ended December 31, 2021	
			Change
Domestic bonds	-	-	-
Domestic stocks	7	6	(0)
Foreign securities	5	29	24
Other securities	-	-	-
Total	13	36	23

4. Supplementary Information

(1) Supplementary Information on Consolidated Business Results

(a) Consolidated Business Results

(Yen in 100 millions)

	Nine months ended December 31, 2020	Nine months ended December 31, 2021	Change	Change ratio
Ordinary income and expenses:				
Underwriting income:	29,326	32,264	2,937	10.0 %
Net premiums written	26,787	27,470	683	2.6
Deposit premiums from policyholders	617	418	(199)	(32.3)
Life insurance premiums	1,564	4,005	2,441	156.1
Underwriting expenses:	31,333	28,505	(2,828)	(9.0)
Net claims paid	14,103	14,406	302	2.1
Loss adjustment expenses	1,377	1,455	78	5.7
Commissions and collection expenses	5,502	5,438	(63)	(1.2)
Maturity refunds to policyholders	1,715	1,352	(362)	(21.2)
Life insurance claims	2,773	3,613	840	30.3
Provision for outstanding claims	861	630	(231)	(26.8)
Provision for underwriting reserves	4,861	1,578	(3,283)	(67.5)
Investment income:	10,273	4,903	(5,370)	(52.3)
Interest and dividends income	2,298	2,369	71	3.1
Investment gains on money trusts	1,686	704	(982)	(58.2)
Investment gains on trading securities	244	223	(21)	(8.8)
Gains on sales of securities	1,225	775	(449)	(36.7)
Investment gains on separate accounts	2,370	757	(1,613)	(68.0)
Investment expenses:	947	594	(353)	(37.3)
Investment losses on money trusts	378	3	(374)	(99.2)
Losses on sales of securities	58	84	25	43.3
Impairment losses on securities	128	318	190	148.4
Losses on derivative transactions	362	150	(211)	(58.5)
Operating expenses and general and administrative expenses	5,022	5,081	58	1.2
Other ordinary income and expenses:	(93)	40	133	-
Gains/(losses) on equity method investments	(45)	101	147	-
Ordinary profit	2,202	3,025	823	37.4
Extraordinary income and losses:				
Extraordinary income	90	22	(68)	(75.5)
Extraordinary losses	243	175	(68)	(27.9)
Extraordinary income/(losses)	(153)	(153)	(0)	-
Income before income taxes	2,049	2,872	822	40.2
Income taxes	520	798	277	53.3
Net income	1,528	2,073	544	35.7
Net income attributable to non-controlling interests	27	27	(0)	(2.3)
Net income attributable to owners of the parent	1,500	2,046	545	36.4

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

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

(Yen in millions)

Lines of Insurance	Nine months ended December 31, 2020			Nine months ended December 31, 2021		
	Amount	Share (%)	Change ratio (%)	Amount	Share (%)	Change ratio (%)
Fire and allied	602,607	20.7	5.1	608,566	20.6	1.0
Marine	152,012	5.2	2.0	160,368	5.4	5.5
Personal accident	226,167	7.8	(4.9)	215,047	7.3	(4.9)
Voluntary automobile	1,196,700	41.0	1.2	1,231,431	41.6	2.9
CALI	219,777	7.5	(16.6)	208,833	7.0	(5.0)
Other	519,877	17.8	(0.4)	536,285	18.1	3.2
Total:	2,917,142	100.0	(0.4)	2,960,533	100.0	1.5
Deposit premiums from policyholders	61,783	2.1	2.7	41,852	1.4	(32.3)

Net Premiums Written by Line of Insurance

(Yen in millions)

Lines of Insurance	Nine months ended December 31, 2020			Nine months ended December 31, 2021		
	Amount	Share (%)	Change ratio (%)	Amount	Share (%)	Change ratio (%)
Fire and allied	470,742	17.6	3.2	479,369	17.5	1.8
Marine	118,461	4.4	(3.7)	124,393	4.5	5.0
Personal accident	170,637	6.4	(7.2)	173,199	6.3	1.5
Voluntary automobile	1,229,766	45.9	0.1	1,259,884	45.9	2.4
CALI	226,963	8.5	(14.0)	215,275	7.8	(5.1)
Other	462,187	17.2	(1.7)	494,964	18.0	7.1
Total	2,678,760	100.0	(1.7)	2,747,086	100.0	2.6

Net Claims Paid by Line of Insurance

(Yen in millions)

Lines of Insurance	Nine months ended December 31, 2020			Nine months ended December 31, 2021		
	Amount	Share (%)	Change ratio (%)	Amount	Share (%)	Change ratio (%)
Fire and allied	272,361	19.3	(14.9)	292,428	20.3	7.4
Marine	55,814	4.0	(5.0)	48,609	3.4	(12.9)
Personal accident	85,776	6.1	0.4	83,600	5.8	(2.5)
Voluntary automobile	597,950	42.4	(9.7)	632,941	43.9	5.9
CALI	162,824	11.5	(8.2)	149,298	10.4	(8.3)
Other	235,651	16.7	4.8	233,773	16.2	(0.8)
Total	1,410,379	100.0	(7.7)	1,440,651	100.0	2.1

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

(c) Investments in Securities

1. Trading securities

(Yen in millions)

	March 31, 2021		December 31, 2021	
	Carrying amount	Unrealized gains/(losses) included in income	Carrying amount	Unrealized gains/(losses) included in income
Trading securities	2,988,617	241,598	2,944,362	12,419

(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, 2021			December 31, 2021		
	Carrying amount	Fair value	Difference	Carrying amount	Fair value	Difference
Domestic Bonds	1,215,042	1,396,418	181,375	1,217,648	1,391,969	174,321
Foreign Securities	3,738	4,073	334	3,980	4,155	175
Other Securities	7,498	7,498	-	12,191	12,191	-
Total	1,226,279	1,407,989	181,710	1,233,820	1,408,316	174,496

(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, 2021			December 31, 2021		
	Carrying amount	Fair value	Difference	Carrying amount	Fair value	Difference
Domestic Bonds	1,455,825	1,451,893	(3,931)	1,809,252	1,796,832	(12,420)
Foreign Securities	839,716	916,010	76,293	768,367	820,060	51,692
Total	2,295,541	2,367,903	72,362	2,577,620	2,616,892	39,272

4. Available-for-sale securities

(Yen in millions)

Items	March 31, 2021			December 31, 2021		
	Cost	Carrying amount	Difference	Cost	Carrying amount	Difference
Domestic Bonds	3,313,562	3,532,218	218,655	3,088,158	3,291,901	203,743
Domestic Stocks	976,796	2,780,192	1,803,396	944,474	2,822,172	1,877,697
Foreign Securities	3,132,102	3,332,310	200,207	3,308,824	3,567,646	258,821
Other Securities	284,612	301,609	16,996	289,624	312,855	23,231
Total	7,707,074	9,946,330	2,239,256	7,631,081	9,994,575	2,363,493

(Notes) 1. For March 31, 2021, Available-for-sale securities without practically determinable fair value are excluded from the above table.

For December 31, 2021, Stocks and other securities without a market price and Partnership investments are excluded from 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. For the year ended March 31, 2021, the Company and its consolidated subsidiaries recognized impairment losses of ¥5,068 million (comprised of ¥810 million on Domestic stocks and ¥4,258 million on Foreign securities) on Available-for-sale securities (excluding securities without practically determinable fair value).

For the nine months ended December 31, 2021, the Company and its consolidated subsidiaries recognized impairment losses of ¥28,407 million (comprised of ¥2,623 million on Domestic stocks and ¥25,784 million on Foreign securities) on Available-for-sale securities (excluding Stocks and other securities without a market price and Partnership investments).

In principle, the Company and its domestic consolidated subsidiaries recognize impairment losses on securities if the fair value declines by 30% or more from the cost.

(2) Summary of Business Results of Main Consolidated Subsidiaries

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

Non-Consolidated Balance Sheets

(Yen in millions)

Items	March 31, 2021	December 31, 2021
(Assets)		
Cash, deposits and savings	477,788	795,633
Receivables under resale agreements	1,999	1,999
Monetary claims bought	5,927	4,812
Money trusts	4,787	291
Investments in securities	5,494,362	5,608,273
Loans	423,367	408,741
Tangible fixed assets	210,553	208,714
Intangible fixed assets	103,162	95,109
Other assets	363,016	321,893
Customers' liabilities under acceptances and guarantees	19,864	20,872
Bad debt reserve	(6,714)	(2,161)
Total assets	7,098,116	7,464,180
(Liabilities)		
Policy liabilities:	3,732,644	3,739,287
Outstanding claims	668,752	699,730
Underwriting reserves	3,063,891	3,039,556
Bonds issued	587,093	737,093
Other liabilities:	618,743	658,975
Income taxes payable	3,873	4,430
Lease obligations	1,213	816
Asset retirement obligations	3,946	4,008
Other liabilities	609,711	649,719
Reserve for pension and retirement benefits	113,202	96,424
Reserve for retirement benefits for officers	234	171
Accrued bonuses for employees	10,359	480
Reserves under the special laws:	23,138	26,234
Reserve for price fluctuation	23,138	26,234
Deferred tax liabilities	67,609	106,984
Acceptances and guarantees	19,864	20,872
Total liabilities	5,172,889	5,386,525
(Net assets)		
Common stock	139,595	139,595
Capital surplus	93,107	93,107
Retained earnings	618,376	669,051
Total shareholders' equity	851,080	901,755
Net unrealized gains/(losses) on investments in securities	1,052,131	1,156,866
Net deferred gains/(losses) on hedges	22,014	19,034
Total valuation and translation adjustments	1,074,146	1,175,900
Total net assets	1,925,226	2,077,655
Total liabilities and net assets	7,098,116	7,464,180

Non-Consolidated Statements of Income

(Yen in millions)

Items	Nine months ended December 31, 2020	Nine months ended December 31, 2021
Ordinary income:	1,359,250	1,396,572
Underwriting income:	1,259,383	1,254,690
Net premiums written	1,168,453	1,178,793
Deposit premiums from policyholders	45,413	30,509
Investment income on deposit premiums from policyholders	21,752	19,514
Reversal of underwriting reserves	23,622	24,378
Investment income:	96,702	138,651
Interest and dividends income	80,266	106,525
Investment gains on money trusts	1,429	29
Gains on sales of securities	31,583	47,754
Transfer of investment income on deposit premiums from policyholders	(21,752)	(19,514)
Other ordinary income	3,164	3,229
Ordinary expenses:	1,234,578	1,251,157
Underwriting expenses:	1,053,222	1,041,639
Net claims paid	624,573	616,783
Loss adjustment expenses	70,111	73,083
Commissions and collection expenses	219,897	225,741
Maturity refunds to policyholders	124,087	94,683
Provision for outstanding claims	12,139	30,800
Investment expenses:	4,862	30,321
Investment losses on money trusts	-	8
Losses on sales of securities	1,200	440
Impairment losses on securities	2,730	27,470
Operating expenses and general and administrative expenses	168,941	171,014
Other ordinary expenses:	7,551	8,181
Interest expense	7,442	7,441
Ordinary profit	124,672	145,414
Extraordinary income	700	1,216
Extraordinary losses	3,839	8,723
Income before income taxes	121,532	137,908
Income taxes	37,952	27,533
Net income	83,580	110,374

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, 2021	December 31, 2021
(A) Total amount of solvency margin	3,490,583	3,780,739
Total net assets	815,511	901,755
Reserve for price fluctuation	23,138	26,234
Contingency reserve	-	-
Catastrophe reserve	580,436	620,329
General bad debt reserve	87	87
Net unrealized gains/(losses) on investments in securities and net deferred gains/(losses) on hedges (prior to tax effect deductions)	1,313,294	1,443,776
Net unrealized gains/(losses) on land	62,327	59,245
Excess of policyholders' contract deposits (a)	-	-
Subordinated debts, etc. (b)	487,093	487,093
Amount excluded from the margin, out of (a) and (b)	-	-
Deductions	3,642	3,642
Others	212,335	245,858
(B) Total amount of risks $\sqrt{(R_1 + R_2)^2 + (R_3 + R_4)^2} + R_5 + R_6$	935,111	982,254
General insurance risk (R ₁)	140,053	142,542
Insurance risk of third sector insurance contracts (R ₂)	-	-
Assumed interest rate risk (R ₃)	12,408	11,790
Asset management risk (R ₄)	789,158	815,035
Business administration risk (R ₅)	20,843	21,815
Catastrophe risk (R ₆)	100,557	121,416
(C) Solvency margin ratio [(A) / {(B) x 1/2}] x 100	746.5 %	769.8 %

(Note) The non-consolidated solvency margin ratio for December 31, 2021 is calculated by partially applying the simplified method where components are calculated based on the data used for September 30, 2021.

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

(Yen in millions)

Items	March 31, 2021	December 31, 2021
(Assets)		
Cash, deposits and savings	201,284	144,544
Money trusts	2,480	3,569
Investments in securities	2,643,427	2,660,124
Loans	232,949	242,957
Tangible fixed assets	185,009	182,671
Intangible fixed assets	63,707	68,243
Other assets	378,704	343,115
Prepaid pension expenses	20,005	23,695
Deferred tax assets	8,450	10,692
Customers' liabilities under acceptances and guarantees	10,500	8,000
Bad debt reserve	(1,240)	(1,074)
Total assets	3,745,278	3,686,540
(Liabilities)		
Policy liabilities:	2,443,083	2,439,054
Outstanding claims	587,631	589,833
Underwriting reserves	1,855,451	1,849,220
Bonds issued	72,000	72,000
Other liabilities:	304,742	242,111
Income taxes payable	25,770	1,793
Lease obligations	1	-
Asset retirement obligations	835	1,185
Other liabilities	278,135	239,132
Reserve for pension and retirement benefits	36,879	39,209
Accrued bonuses for employees	7,479	741
Reserves under the special laws:	31,896	33,278
Reserve for price fluctuation	31,896	33,278
Acceptances and guarantees	10,500	8,000
Total liabilities	2,906,581	2,834,395
(Net assets)		
Common stock	100,005	100,005
Capital surplus	81,207	81,207
Retained earnings	176,474	195,600
Total shareholders' equity	357,687	376,813
Net unrealized gains/(losses) on investments in securities	481,009	475,332
Total valuation and translation adjustments	481,009	475,332
Total net assets	838,696	852,145
Total liabilities and net assets	3,745,278	3,686,540

Non-Consolidated Statements of Income

(Yen in millions)

Items	Nine months ended December 31, 2020	Nine months ended December 31, 2021
Ordinary income:	1,037,809	1,055,628
Underwriting income:	988,295	1,001,930
Net premiums written	960,369	970,014
Deposit premiums from policyholders	16,370	11,343
Investment income on deposit premiums from policyholders	10,826	9,702
Reversal of underwriting reserves	-	6,230
Investment income:	45,429	48,587
Interest and dividends income	42,788	43,256
Investment gains on money trusts	0	0
Gains on sales of securities	13,088	11,487
Transfer of investment income on deposit premiums from policyholders	(10,826)	(9,702)
Other ordinary income	4,084	5,109
Ordinary expenses:	995,187	979,708
Underwriting expenses:	844,803	827,744
Net claims paid	506,203	524,351
Loss adjustment expenses	52,540	57,898
Commissions and collection expenses	197,017	201,881
Maturity refunds to policyholders	47,464	40,571
Provision for outstanding claims	13,127	2,201
Provision for underwriting reserves	25,886	-
Investment expenses:	4,712	5,461
Losses on sales of securities	1,214	1,077
Impairment losses on securities	1,300	3,676
Operating expenses and general and administrative expenses	144,086	144,843
Other ordinary expenses:	1,583	1,658
Interest expense	590	591
Ordinary profit	42,622	75,920
Extraordinary income	73	732
Extraordinary losses	6,378	6,269
Income before income taxes	36,316	70,383
Income taxes	6,500	18,023
Net income	29,815	52,359

Non-Consolidated Solvency Margin Ratio

(Yen in millions)

	March 31, 2021	December 31, 2021
(A) Total amount of solvency margin	1,438,465	1,493,942
Total net assets	341,763	376,813
Reserve for price fluctuation	31,896	33,278
Contingency reserve	992	1,079
Catastrophe reserve	331,141	350,796
General bad debt reserve	252	192
Net unrealized gains/(losses) on investments in securities and net deferred gains/(losses) on hedges (prior to tax effect deductions)	600,213	593,086
Net unrealized gains/(losses) on land	35,864	34,232
Excess of policyholders' contract deposits (a)	-	-
Subordinated debts, etc. (b)	54,400	50,000
Amount excluded from the margin, out of (a) and (b)	-	-
Deductions	4,579	5,394
Others	46,521	59,856
(B) Total amount of risks $\sqrt{(R_1 + R_2)^2 + (R_3 + R_4)^2} + R_5 + R_6$	363,749	370,621
General insurance risk (R ₁)	117,505	119,627
Insurance risk of third sector insurance contracts (R ₂)	-	-
Assumed interest rate risk (R ₃)	6,083	5,778
Asset management risk (R ₄)	251,845	250,586
Business administration risk (R ₅)	8,936	9,092
Catastrophe risk (R ₆)	71,379	78,627
(C) Solvency margin ratio [(A) / {(B) x 1/2}] x 100	790.9 %	806.1 %

(Note) The non-consolidated solvency margin ratio for December 31, 2021 is calculated by partially applying the simplified method where components are calculated based on the data used for September 30, 2021.

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

Non-Consolidated Balance Sheets

(Yen in millions)

Items	March 31, 2021	December 31, 2021
(Assets)		
Cash, deposits and savings	12,842	16,643
Investments in securities	38,314	35,515
Tangible fixed assets	876	755
Intangible fixed assets	4,650	4,152
Other assets	5,171	4,653
Bad debt reserve	(4)	(3)
Total assets	61,850	61,716
(Liabilities)		
Policy liabilities:	43,980	42,335
Outstanding claims	23,068	22,916
Underwriting reserves	20,912	19,419
Other liabilities:	2,106	1,588
Income taxes payable	390	191
Asset retirement obligations	197	197
Other liabilities	1,518	1,198
Reserve for pension and retirement benefits	303	349
Accrued bonuses for employees	299	-
Reserves under the special laws:	86	92
Reserve for price fluctuation	86	92
Deferred tax liabilities	85	76
Total liabilities	46,862	44,441
(Net assets)		
Common stock	39,106	39,106
Capital surplus	9,006	9,006
Retained earnings	(33,104)	(30,854)
Total shareholders' equity	15,007	17,257
Net unrealized gains/(losses) on investments in securities	(18)	17
Total valuation and translation adjustments	(18)	17
Total net assets	14,988	17,275
Total liabilities and net assets	61,850	61,716

Non-Consolidated Statements of Income

(Yen in millions)

Items	Nine months ended December 31, 2020	Nine months ended December 31, 2021
Ordinary income:	28,184	27,485
Underwriting income:	28,144	27,445
Net premiums written	26,548	25,784
Investment income on deposit premiums from policyholders	16	14
Reversal of outstanding claims	566	152
Reversal of underwriting reserves	1,012	1,493
Investment income:	20	24
Interest and dividends income	37	39
Transfer of investment income on deposit premiums from policyholders	(16)	(14)
Other ordinary income	19	15
Ordinary expenses:	25,517	24,940
Underwriting expenses:	17,771	17,211
Net claims paid	15,460	14,907
Loss adjustment expenses	2,068	2,047
Commissions and collection expenses	242	255
Investment expenses	-	-
Operating expenses and general and administrative expenses	7,743	7,726
Other ordinary expenses	1	2
Ordinary profit	2,666	2,544
Extraordinary income	-	-
Extraordinary losses	6	5
Income before income taxes	2,660	2,539
Income taxes	223	289
Net income	2,437	2,250

Non-Consolidated Solvency Margin Ratio

(Yen in millions)

	March 31, 2021	December 31, 2021
(A) Total amount of solvency margin	16,291	18,252
Total net assets	15,007	17,257
Reserve for price fluctuation	86	92
Contingency reserve	0	0
Catastrophe reserve	1,214	879
General bad debt reserve	1	1
Net unrealized gains/(losses) on investments in securities and net deferred gains/(losses) on hedges (prior to tax effect deductions)	(18)	22
Net unrealized gains/(losses) on land	-	-
Excess of policyholders' contract deposits (a)	-	-
Subordinated debts, etc. (b)	-	-
Amount excluded from the margin, out of (a) and (b)	-	-
Deductions	-	-
Others	-	-
(B) Total amount of risks $\sqrt{(R_1 + R_2)^2 + (R_3 + R_4)^2} + R_5 + R_6$	5,468	5,464
General insurance risk (R ₁)	4,879	4,879
Insurance risk of third sector insurance contracts (R ₂)	-	-
Assumed interest rate risk (R ₃)	0	0
Asset management risk (R ₄)	1,009	991
Business administration risk (R ₅)	185	185
Catastrophe risk (R ₆)	300	300
(C) Solvency margin ratio [(A) / {(B) x 1/2}] x 100	595.8 %	668.0 %

(Note) The non-consolidated solvency margin ratio for December 31, 2021 is calculated by partially applying the simplified method where components are calculated based on the data used for September 30, 2021.

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

(Yen in millions)

Items	March 31, 2021	December 31, 2021
(Assets)		
Cash, deposits and savings	74,851	118,154
Investments in securities	4,313,867	4,543,808
Loans	58,858	58,499
Tangible fixed assets	8,010	7,173
Intangible fixed assets	32,164	28,886
Due from agencies	1,518	1,471
Reinsurance accounts receivable	994	207
Other assets	43,538	43,448
Deferred tax assets	676	-
Bad debt reserve	(89)	(90)
Total assets	4,534,390	4,801,559
(Liabilities)		
Policy liabilities:	4,007,521	4,153,092
Outstanding claims	33,569	34,818
Underwriting reserves	3,964,029	4,108,422
Reserve for dividends to policyholders	9,923	9,851
Due to agencies	3,063	2,869
Reinsurance accounts payable	302	281
Other liabilities:	251,978	429,980
Payables under repurchase agreements	110,343	166,304
Payables under securities lending transactions	126,101	248,368
Income taxes payable	3,538	347
Lease obligations	333	261
Asset retirement obligations	429	413
Other liabilities	11,232	14,284
Reserve for pension and retirement benefits	4,234	4,665
Reserve for retirement benefits for officers	7	5
Reserves under the special laws:	9,853	10,772
Reserve for price fluctuation	9,853	10,772
Deferred tax liabilities	-	818
Total liabilities	4,276,962	4,602,485
(Net assets)		
Common stock	85,500	85,500
Capital surplus	93,688	19,955
Retained earnings	25,115	36,648
Total shareholders' equity	204,303	142,103
Net unrealized gains/(losses) on investments in securities	53,124	56,970
Total valuation and translation adjustments	53,124	56,970
Total net assets	257,428	199,073
Total liabilities and net assets	4,534,390	4,801,559

Non-Consolidated Statements of Income

(Yen in millions)

Items	Nine months ended December 31, 2020	Nine months ended December 31, 2021
Ordinary income:	418,841	413,800
Insurance premiums and others:	376,383	370,851
Insurance premiums	375,857	370,544
Investment income:	39,229	41,157
Interest and dividends income	36,555	37,774
Gains on sales of securities	2,189	3,379
Gains on derivative transactions	419	-
Other ordinary income:	3,228	1,791
Reversal of outstanding claims	637	-
Ordinary expenses:	397,856	386,407
Insurance claims and others:	162,252	170,088
Insurance claims	35,380	36,173
Annuity payments	14,521	15,290
Benefits	23,017	25,320
Surrender benefits	85,395	89,128
Other refunds	2,751	2,888
Provision for underwriting reserves and others:	164,373	145,643
Provision for outstanding claims	-	1,249
Provision for underwriting reserves	164,373	144,393
Provision for interest portion of reserve for dividends to policyholders	0	0
Investment expenses:	223	1,080
Losses on sales of securities	199	637
Losses on derivative transactions	-	151
Operating expenses	57,418	55,063
Other ordinary expenses	13,589	14,532
Ordinary profit	20,985	27,392
Extraordinary income	0	0
Extraordinary losses	806	939
Provision for reserve for dividends to policyholders	2,869	3,131
Income before income taxes	17,310	23,321
Income taxes	4,579	6,263
Net income	12,730	17,058

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

(1) Policies in force (Yen in 100 millions)

	March 31, 2021		December 31, 2021	
	Number of policies (in thousands)	Amount	Number of policies (in thousands)	Amount
Individual insurance	3,815	236,240	3,852	233,471
Individual annuities	166	6,428	161	6,264
Group insurance	-	93,562	-	97,604
Group annuities	-	2	-	2

(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)

	Nine months ended December 31, 2020				Nine months ended December 31, 2021			
	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	188	13,016	13,016	-	176	13,000	13,000	-
Individual annuities	0	35	35	-	0	30	30	-
Group insurance	-	1,080	1,080	-	-	381	381	-
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, 2021	December 31, 2021
Individual insurance	4,069	4,063
Individual annuities	409	388
Total:	4,479	4,452
Medical coverage, living benefits, etc.	1,460	1,511

(2) New policies (Yen in 100 millions)

	Nine months ended December 31, 2020	Nine months ended December 31, 2021
Individual insurance	191	203
Individual annuities	1	1
Total:	192	204
Medical coverage, living benefits, etc.	108	108

(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)

	Nine months ended December 31, 2020	Nine months ended December 31, 2021	Change
Fundamental revenues:	416,224	410,417	(5,807)
Insurance premiums and others	376,383	370,851	(5,532)
Fundamental expenses	397,005	385,014	(11,990)
Fundamental profit	19,219	25,402	6,183
Capital gains/(losses)	2,410	2,596	185
Non-recurring gains/(losses)	(644)	(606)	37
Ordinary profit	20,985	27,392	6,407
Extraordinary income	0	0	(0)
Extraordinary losses	806	939	133
Provision for reserve for dividends to policyholders	2,869	3,131	262
Income taxes	4,579	6,263	1,683
Net income	12,730	17,058	4,327

Non-Consolidated Solvency Margin Ratio

(Yen in millions)

	March 31, 2021	December 31, 2021
(A) Total amount of solvency margin	490,784	439,013
Total capital	199,693	139,121
Reserve for price fluctuation	9,853	10,772
Contingency reserve	39,775	40,381
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) x 90%	66,405	71,212
Net unrealized gains/(losses) on land x 85%	-	-
Excess of continued Zillmerized reserve (a)	167,964	166,030
Subordinated debts, etc. (b)	-	-
Amount excluded from the margin, out of (a) and (b)	-	-
Brought in capital	-	-
Deductions	-	-
Others	7,087	11,491
(B) Total amount of risks $\sqrt{(R_1 + R_8)^2 + (R_2 + R_3 + R_7)^2} + R_4$	68,186	70,181
Insurance risk (R ₁)	18,468	18,527
Insurance risk of third sector insurance contracts (R ₈)	17,227	17,758
Assumed interest rate risk (R ₂)	3,242	3,261
Minimum guarantee risk (R ₇)	-	-
Asset management risk (R ₃)	52,692	54,600
Business administration risk (R ₄)	1,832	1,882
(C) Solvency margin ratio [(A) / {(B) x 1/2}] x 100	1,439.5 %	1,251.0 %

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

Non-Consolidated Balance Sheets

(Yen in millions)

Items	March 31, 2021	December 31, 2021
(Assets)		
Cash, deposits and savings	807,492	720,977
Monetary claims bought	100,993	80,995
Money trusts	1,710,444	1,979,754
Investments in securities	4,039,282	3,809,848
Loans	264,182	262,816
Tangible fixed assets	901	786
Intangible fixed assets	13,510	12,649
Reinsurance accounts receivable	5,497	3,721
Other assets	23,735	31,104
Deferred tax assets	58,712	56,887
Bad debt reserve	-	(9)
Total assets	7,024,753	6,959,531
(Liabilities)		
Policy liabilities:	6,482,031	6,432,591
Outstanding claims	24,209	21,834
Underwriting reserves	6,457,822	6,410,756
Due to agencies	4,808	3,504
Reinsurance accounts payable	4,238	5,925
Other liabilities:	93,090	56,897
Income taxes payable	30,405	4
Lease obligations	725	600
Asset retirement obligations	179	181
Other liabilities	61,778	56,111
Reserves under the special laws:	180,000	182,485
Reserve for price fluctuation	180,000	182,485
Total liabilities	6,764,169	6,681,404
(Net assets)		
Common stock	41,060	41,060
Capital surplus	24,735	24,735
Retained earnings	154,113	166,962
Total shareholders' equity	219,908	232,757
Net unrealized gains/(losses) on investments in securities	36,961	44,513
Net deferred gains/(losses) on hedges	3,713	856
Total valuation and translation adjustments	40,675	45,370
Total net assets	260,584	278,127
Total liabilities and net assets	7,024,753	6,959,531

Non-Consolidated Statements of Income

(Yen in millions)

Items	Nine months ended December 31, 2020	Nine months ended December 31, 2021
Ordinary income:	1,368,290	1,008,337
Insurance premiums and others:	601,529	733,639
Insurance premiums	510,131	660,825
Investment income:	763,806	222,145
Interest and dividends income	64,343	48,526
Investment gains on money trusts	129,451	70,118
Investment gains on trading securities	-	46
Gains on sales of securities	68,912	7,468
Foreign exchange gains	263,464	18,426
Investment gains on separate accounts	237,070	75,769
Other ordinary income	2,955	52,551
Reversal of outstanding claims	-	2,374
Reversal of underwriting reserves	-	47,065
Ordinary expenses:	1,305,857	954,811
Insurance claims and others:	942,134	912,158
Insurance claims	79,143	91,950
Annuity payments	62,410	62,430
Benefits	151,567	199,208
Surrender benefits	488,844	424,550
Other refunds	3,081	2,914
Reinsurance premiums	157,087	131,104
Provision for underwriting reserves and others:	327,331	-
Provision for outstanding claims	4,797	-
Provision for underwriting reserves	322,533	-
Investment expenses:	364	1,339
Interest expense	11	9
Losses on sales of securities	319	1,281
Operating expenses	29,112	33,642
Other ordinary expenses	6,914	7,671
Ordinary profit	62,432	53,525
Extraordinary income	-	-
Extraordinary losses	12,720	2,485
Income before income taxes	49,712	51,039
Income taxes	13,750	13,992
Net income	35,961	37,046

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

(1) Policies in force (Yen in 100 millions)

	March 31, 2021		December 31, 2021	
	Number of policies (in thousands)	Amount	Number of policies (in thousands)	Amount
Individual insurance	663	42,277	663	43,560
Individual annuities	377	23,680	357	22,512
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)

	Nine months ended December 31, 2020				Nine months ended December 31, 2021			
	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	47	4,253	4,253	-	70	5,982	5,982	-
Individual annuities	13	845	845	-	9	662	662	-
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, 2021	December 31, 2021
Individual insurance	3,661	4,011
Individual annuities	2,674	2,508
Total:	6,335	6,519
Medical coverage, living benefits, etc.	4	5

(2) New policies (Yen in 100 millions)

	Nine months ended December 31, 2020	Nine months ended December 31, 2021
Individual insurance	451	562
Individual annuities	165	123
Total:	617	686
Medical coverage, living benefits, etc.	2	1

(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)

	Nine months ended December 31, 2020	Nine months ended December 31, 2021	Change
Fundamental revenues:	1,326,575	997,789	(328,786)
Insurance premiums and others	601,529	733,639	132,110
Fundamental expenses	1,304,426	981,219	(323,206)
Fundamental profit	22,149	16,570	(5,579)
Capital gains/(losses)	41,395	35,724	(5,671)
Non-recurring gains/(losses)	(1,111)	1,230	2,342
Ordinary profit	62,432	53,525	(8,907)
Extraordinary income	-	-	-
Extraordinary losses	12,720	2,485	(10,234)
Provision for reserve for dividends to policyholders	-	-	-
Income taxes	13,750	13,992	241
Net income	35,961	37,046	1,085

Non-Consolidated Solvency Margin Ratio

(Yen in millions)

	March 31, 2021	December 31, 2021
(A) Total amount of solvency margin	711,185	774,743
Total capital	198,130	232,757
Reserve for price fluctuation	180,000	182,485
Contingency reserve	81,204	79,964
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%	44,019	54,199
Net unrealized gains/(losses) on land x 85%	-	-
Excess of continued Zillmerized reserve (a)	160,823	165,051
Subordinated debts, etc. (b)	-	-
Amount excluded from the margin, out of (a) and (b)	-	-
Brought in capital	-	-
Deductions	-	-
Others	47,007	60,284
(B) Total amount of risks $\sqrt{(R_1 + R_8)^2 + (R_2 + R_3 + R_7)^2} + R_4$	134,845	135,270
Insurance risk (R ₁)	1,140	1,241
Insurance risk of third sector insurance contracts (R ₈)	2	2
Assumed interest rate risk (R ₂)	36,904	32,823
Minimum guarantee risk (R ₇)	1,328	1,275
Asset management risk (R ₃)	93,941	98,489
Business administration risk (R ₄)	2,666	2,676
(C) Solvency margin ratio [(A) / {(B) x 1/2}] x 100	1,054.8 %	1,145.4 %