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SUMMARY OF FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED JUNE 30, 2019

August 7, 2019

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: Yasuyoshi Karasawa, President & CEO
Contact: Masaru Kenma, Manager, Consolidated Accounting Section, Accounting Department
Telephone: 03-5117-0305

Scheduled date to file the Quarterly Securities Report: August 7, 2019
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 Three Months Ended June 30, 2019 (April 1, 2019 to June 30, 2019)

(1) Consolidated business performance (Yen in millions)

	Ordinary income		Ordinary profit		Net income attributable to owners of the parent	
Three months ended June 30, 2019	1,497,723	2.5 %	117,916	(6.0) %	95,990	14.5 %
Three months ended June 30, 2018	1,461,622	(1.3) %	125,400	0.7 %	83,863	(8.5) %

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

(Note) Comprehensive income
For the three months ended June 30, 2019: ¥ 85,380 million 44.5 %
For the three months ended June 30, 2018: ¥ 59,097 million (55.0) %

(Yen)

	Net income attributable to owners of the parent per share - Basic	Net income attributable to owners of the parent per share - Diluted
Three months ended June 30, 2019	164.64	164.58
Three months ended June 30, 2018	141.72	141.69

(2) Consolidated financial conditions (Yen in millions)

	Total assets	Net assets	Ratio of net assets less non-controlling interests to total assets
June 30, 2019	23,310,767	2,809,356	11.9 %
March 31, 2019	23,132,539	2,778,047	11.9 %

(Reference) Net assets less non-controlling interests
As of June 30, 2019: ¥ 2,780,442 million
As of March 31, 2019: ¥ 2,750,519 million

2. Dividends

(Yen)

	Dividends per share				
	1st quarter	2nd quarter	3rd quarter	4th quarter	Annual total
Year ended March 31, 2019	-	70.00	-	70.00	140.00
Year ending March 31, 2020	-				
Year ending March 31, 2020 (Forecast)		75.00	-	75.00	150.00

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

3. Consolidated Earnings Forecasts for the Year Ending March 31, 2020 (April 1, 2019 to March 31, 2020)

(Yen in millions)

	Ordinary profit		Net income attributable to owners of the parent		Net income attributable to owners of the parent per share (Yen)
Year ending March 31, 2020	298,000	2.5 %	200,000	3.8 %	345.13

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

(Note) For details, please refer to "Changes in Accounting Policies" on page 5 of the Appendix.

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

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

As of June 30, 2019:	593,291,754 shares
As of March 31, 2019:	593,291,754 shares

2. Number of shares of treasury stock

As of June 30, 2019:	12,765,550 shares
As of March 31, 2019:	9,580,005 shares

3. Average number of shares of outstanding stock

For the three months ended June 30, 2019:	583,011,283 shares
For the three months ended June 30, 2018:	591,722,538 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 and consolidated earnings for the second quarter (cumulative) are 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, 2019	June 30, 2019
Assets		
Cash, deposits and savings	1,474,306	1,505,491
Receivables under resale agreements	472,377	476,216
Monetary claims bought	97,241	98,894
Money trusts	1,544,406	1,621,360
Investments in securities	16,061,871	16,001,867
Loans	903,006	892,086
Tangible fixed assets	463,356	484,767
Intangible fixed assets	545,450	557,156
Other assets	1,454,825	1,551,337
Assets for retirement benefits	30,075	29,747
Deferred tax assets	59,317	55,921
Customers' liabilities under acceptances and guarantees	35,500	45,500
Bad debt reserve	(9,195)	(9,580)
Total assets	23,132,539	23,310,767
Liabilities		
Policy liabilities:	17,637,713	17,779,179
Outstanding claims	2,222,637	2,140,087
Underwriting reserves	15,415,076	15,639,091
Bonds issued	659,093	659,093
Other liabilities	1,490,882	1,534,692
Liabilities for pension and retirement benefits	176,550	174,708
Reserve for retirement benefits for officers	414	374
Accrued bonuses for employees	27,788	9,894
Reserve for reorganization by function	6,498	2,361
Reserves under the special laws:	173,248	164,174
Reserve for price fluctuation	173,248	164,174
Deferred tax liabilities	146,802	131,432
Acceptances and guarantees	35,500	45,500
Total liabilities	20,354,492	20,501,411
Net assets		
Shareholders' equity:		
Common stock	100,000	100,000
Capital surplus	553,168	553,163
Retained earnings	962,385	1,015,446
Treasury stock	(32,539)	(43,565)
Total shareholders' equity	1,583,013	1,625,044
Accumulated other comprehensive income:		
Net unrealized gains/(losses) on investments in securities	1,273,881	1,241,226
Net deferred gains/(losses) on hedges	25,168	27,388
Foreign currency translation adjustments	(135,992)	(117,396)
Accumulated actuarial gains/(losses) on retirement benefits	4,448	4,179
Total accumulated other comprehensive income	1,167,505	1,155,397
Stock acquisition rights	785	671
Non-controlling interests	26,743	28,242
Total net assets	2,778,047	2,809,356
Total liabilities and net assets	23,132,539	23,310,767

2. Consolidated Statements of Income and Comprehensive Income

(Consolidated Statements of Income)

(Yen in millions)

	Three months ended June 30, 2018	Three months ended June 30, 2019
Ordinary income:	1,461,622	1,497,723
Underwriting income:	1,311,815	1,336,752
Net premiums written	968,915	976,807
Deposit premiums from policyholders	21,182	22,181
Investment income on deposit premiums from policyholders	10,476	10,310
Life insurance premiums	290,539	298,420
Reversal of outstanding claims	7,501	27,205
Investment income:	145,092	153,861
Interest and dividends income	90,067	91,282
Investment gains on money trusts	15,893	19,499
Investment gains on trading securities	-	22,813
Gains on sales of securities	26,181	23,189
Investment gains on separate accounts	19,574	6,929
Transfer of investment income on deposit premiums from policyholders	(10,476)	(10,310)
Other ordinary income	4,714	7,108
Ordinary expenses:	1,336,221	1,379,806
Underwriting expenses:	1,138,198	1,070,786
Net claims paid	475,818	477,776
Loss adjustment expenses	42,122	44,063
Commissions and collection expenses	178,185	183,567
Maturity refunds to policyholders	48,657	48,348
Life insurance claims	98,865	92,348
Provision for underwriting reserves	293,270	218,529
Investment expenses:	24,871	134,165
Investment losses on money trusts	3,415	23,616
Investment losses on trading securities	5,110	-
Losses on sales of securities	4,439	1,405
Impairment losses on securities	1,457	3,054
Operating expenses and general and administrative expenses	168,673	169,835
Other ordinary expenses:	4,478	5,019
Interest expense	2,741	3,272
Ordinary profit	125,400	117,916
Extraordinary income:	61	11,976
Gains on sales of fixed assets	61	97
Reversal of reserves under the special laws:	-	9,074
Reversal of reserve for price fluctuation	-	9,074
Gains on change in equity	-	2,804
Extraordinary losses:	12,499	723
Losses on sales of fixed assets	482	576
Impairment losses on fixed assets	784	146
Provision for reserves under the special laws:	8,978	-
Provision for reserve for price fluctuation	8,978	-
Other extraordinary losses	2,253	-
Income before income taxes	112,963	129,169
Income taxes	28,786	32,287
Net income	84,177	96,881
Net income attributable to non-controlling interests	314	891
Net income attributable to owners of the parent	83,863	95,990

(Consolidated Statements of Comprehensive Income)

(Yen in millions)

	Three months ended June 30, 2018	Three months ended June 30, 2019
Net income	84,177	96,881
Other comprehensive income:		
Net unrealized gains/(losses) on investments in securities	28,395	(49,668)
Net deferred gains/(losses) on hedges	(365)	2,284
Foreign currency translation adjustments	(42,206)	16,706
Accumulated actuarial gains/(losses) on retirement benefits	649	(202)
Share of other comprehensive income of equity method investments	(11,551)	19,378
Total other comprehensive income	(25,079)	(11,501)
Total comprehensive income	59,097	85,380
Allocation:		
Comprehensive income attributable to owners of the parent	59,237	83,883
Comprehensive income attributable to non-controlling interests	(139)	1,497

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)

From the three-month period ended June 30,2019, International Financial Reporting Standards (IFRS)16 “Leases” has been adopted by overseas consolidated subsidiaries that adopt IFRS. In line with this adoption, lessees generally recognize all leases as right-of-use assets and lease liabilities on commencement date of the leases.

In adopting the accounting standard, in accordance with the transitional treatment, retained earnings have been adjusted for the cumulative effects of the adoption at the beginning of the three-month period ended June 30,2019.

As a result, the effect of this adjustment on ordinary income and income before income taxes for the three months ended June 30,2019 is immaterial.

Explanatory Material for Business Results

1. Summary of Consolidated Business Results

(1) Consolidated Business Results

(Yen in 100 millions)

	Items	Three months ended June 30, 2018	**Three months ended June 30, 2019**	**Change**	**Change ratio**
					%
Net premiums written (non-life insurance)(Note 1)	1	9,705	**9,768**	**62**	**0.6**
Mitsui Sumitomo Insurance(Note 1)	2	3,764	**3,787**	**22**	**0.6**
Aioi Nissay Dowa Insurance	3	3,097	**3,179**	**82**	**2.7**
Simple sum	4	6,861	**6,966**	**105**	**1.5**
Mitsui Direct General Insurance	5	93	**90**	**(2)**	**(2.6)**
Overseas insurance subsidiaries	6	2,742	**2,702**	**(40)**	**(1.5)**
Insurance premiums (domestic life insurance)	7	3,625	**3,759**	**133**	**3.7**
Mitsui Sumitomo Aioi Life Insurance	8	1,167	**1,225**	**58**	**5.0**
Mitsui Sumitomo Primary Life Insurance	9	2,458	**2,534**	**75**	**3.1**
Ordinary profit	10	1,254	**1,179**	**(74)**	**(6.0)**
Net income attributable to owners of the parent	11	838	**959**	**121**	**14.5**
Mitsui Sumitomo Insurance	12	551	**658**	**106**	**19.2**
Aioi Nissay Dowa Insurance	13	260	**239**	**(21)**	**(8.1)**
Simple sum	14	812	**897**	**85**	**10.5**
Mitsui Direct General Insurance	15	9	**17**	**7**	**80.5**
Mitsui Sumitomo Aioi Life Insurance	16	21	**20**	**(1)**	**(5.9)**
Mitsui Sumitomo Primary Life Insurance	17	68	**52**	**(16)**	**(23.9)**
Overseas insurance subsidiaries	18	44	**98**	**54**	**123.3**
Others, consolidation adjustments, etc.	19	(117)	**(125)**	**(8)**	**-**

(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.

(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	Three months ended June 30, 2018	**Three months ended June 30, 2019**	**Change**	**Change ratio**
(+)	Net premiums written	1	6,861	**6,966**	**105**	**1.5 %**
(-)	Net claims paid	2	3,589	**3,700**	**110**	**3.1**
(-)	Loss adjustment expenses	3	370	**384**	**14**	**3.9**
(-)	Commissions and collection expenses	4	1,280	**1,324**	**43**	**3.4**
(-)	Operating expenses and general and administrative expenses for underwriting	5	957	**970**	**13**	**1.4**
	Underwriting profit before movements in reserves	6	664	**587**	**(76)**	**(11.6)**
(-)	Movement in outstanding claims	7	(17)	**(279)**	**(261)**	**-**
(-)	Movement in ordinary underwriting reserves	8	15	**89**	**73**	**474.6**
(+)	Other	9	52	**(11)**	**(63)**	**(121.1)**
	Underwriting profit before movement in catastrophe reserve	10	718	**766**	**48**	**6.7**
(-)	Movement in catastrophe reserve	11	241	**138**	**(103)**	**(42.7)**
	Underwriting profit	12	477	**628**	**151**	**31.7**
(+)	Interest and dividends income	13	583	**610**	**27**	**4.7**
(-)	Transfer of investment income on deposit premiums from policyholders	14	120	**118**	**(2)**	**(2.0)**
	Net interest and dividends income (item 13 - item 14)	15	462	**492**	**29**	**6.4**
(+)	Gains/(losses) on sales of securities	16	194	**198**	**4**	**2.1**
(-)	Impairment losses on securities	17	10	**42**	**32**	**292.8**
(+)	Other	18	(25)	**(58)**	**(33)**	**-**
	Investment profit	19	621	**589**	**(31)**	**(5.0)**
(+)	Other ordinary profit/(loss)	20	(5)	**(20)**	**(15)**	**-**
	Ordinary profit	21	1,093	**1,197**	**104**	**9.5**
(+)	Extraordinary income/(losses):	22	(32)	**(20)**	**11**	**-**
	Gains/(losses) on reserve for price fluctuation	23	(14)	**(14)**	**(0)**	**-**
	Income before income taxes	24	1,061	**1,176**	**115**	**10.9**
(-)	Income taxes	25	248	**279**	**30**	**12.2**
	Net income	26	812	**897**	**85**	**10.5**

Ratios	Net loss ratio	Note 1	27	57.7 %	**58.6 %**	**0.9 %**	
	Net expense ratio	Note 2	28	32.6 %	**32.9 %**	**0.3 %**	
	Combined ratio	Note 3	29	90.3 %	**91.5 %**	**1.2 %**	

Incurred losses (including loss adjustment expenses)	Note 4, 5	30	3,269	**3,178**	**(91)**	**(2.8)**
EI loss ratio	Note 4, 6	31	54.5 %	**52.0 %**	**(2.5) %**	

(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. 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	Three months ended June 30, 2018	**Three months ended June 30, 2019**	**Change**	**Change ratio**
Amount of new policies(Note)	1	9,146	**5,021**	**(4,124)**	**(45.1) %**
Annualized premiums of new policies	2	94	**66**	**(27)**	**(29.1) %**
Amount of policies in force(Note)	3	(As of the beginning of the FY2019) 245,331	**245,105**	**(Change from the beginning of the FY2019) (226)**	**(0.1) %**
Annualized premiums for policies in force	4	(As of the beginning of the FY2019) 4,315	**4,488**	**(Change from the beginning of the FY2019) 173**	**4.0 %**
Insurance premiums	5	1,167	**1,225**	**58**	**5.0 %**
Ordinary profit	6	50	**46**	**(3)**	**(7.9) %**
Extraordinary income/(losses)	7	(4)	**(2)**	**1**	**-**
Net income	8	21	**20**	**(1)**	**(5.9) %**

(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	Three months ended June 30, 2018	**Three months ended June 30, 2019**	**Change**	**Change ratio**
Amount of new policies(Note)	1	2,480	**2,555**	**74**	**3.0 %**
Amount of policies in force(Note)	2	(As of the beginning of the FY2019) 66,785	**66,811**	**(Change from the beginning of the FY2019) 26**	**0.0 %**
Insurance premiums	3	2,458	**2,534**	**75**	**3.1 %**
Ordinary profit/(loss)	4	167	**(36)**	**(203)**	**(121.8) %**
Extraordinary income/(losses)	5	(73)	**108**	**181**	**-**
Net income	6	68	**52**	**(16)**	**(23.9) %**

(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	Three months ended June 30, 2018	**Three months ended June 30, 2019**	**Change**	**Change ratio**
					%
Net premiums written	1	2,742	**2,702**	**(40)**	**(1.5)**
Asia	2	468	**473**	**4**	**1.1**
Europe:	3	2,151	**2,120**	**(30)**	**(1.4)**
MS Amlin	4	1,977	**1,945**	**(32)**	**(1.6)**
Americas	5	122	**107**	**(14)**	**(11.8)**
Net income attributable to owners of the parent	6	44	**98**	**54**	**123.3**
Asia	7	41	**36**	**(5)**	**(13.3)**
Europe:	8	(12)	**19**	**31**	**-**
MS Amlin	9	0	**34**	**33**	**6,405.8**
Americas	10	4	**3**	**(1)**	**(25.2)**
International life insurance	11	9	**39**	**29**	**307.3**

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 Results

(Yen in 100 millions)

		Items	Three months ended June 30, 2018	**Three months ended June 30, 2019**	**Change**	**Change ratio**
						%
(+)	Net premiums written	1	3,764	**3,787**	**22**	**0.6**
(-)	Net claims paid	2	1,970	**2,043**	**72**	**3.7**
(-)	Loss adjustment expenses	3	215	**216**	**1**	**0.6**
(-)	Commissions and collection expenses	4	663	**685**	**21**	**3.3**
(-)	Operating expenses and general and administrative expenses for underwriting	5	534	**516**	**(17)**	**(3.3)**
	Underwriting profit before movements in reserves	6	380	**324**	**(55)**	**(14.6)**
(-)	Movement in outstanding claims	7	1	**(148)**	**(150)**	**(9,508.2)**
(-)	Movement in ordinary underwriting reserves	8	(26)	**(28)**	**(1)**	**-**
(+)	Other	9	10	**6**	**(4)**	**(42.0)**
	Underwriting profit before movement in catastrophe reserve	10	415	**507**	**91**	**22.1**
(-)	Movement in catastrophe reserve	11	133	**42**	**(91)**	**(68.3)**
	Underwriting profit	12	281	**464**	**183**	**65.0**
(+)	Interest and dividends income	13	396	**406**	**10**	**2.7**
(-)	Transfer of investment income on deposit premiums from policyholders	14	79	**77**	**(2)**	**(2.5)**
	Net interest and dividends income (item 13 - item 14)	15	316	**329**	**12**	**4.0**
(+)	Gains/(losses) on sales of securities	16	153	**138**	**(15)**	**(9.9)**
(-)	Impairment losses on securities	17	10	**12**	**2**	**20.5**
(+)	Other	18	(3)	**(37)**	**(33)**	**-**
	Investment profit	19	455	**417**	**(38)**	**(8.4)**
(+)	Other ordinary profit/(loss)	20	(8)	**(19)**	**(10)**	**-**
	Ordinary profit	21	728	**863**	**134**	**18.5**
(+)	Extraordinary income/(losses)	22	(11)	**(12)**	**(1)**	**-**
	Gains/(losses) on reserve for price fluctuation	23	(10)	**(10)**	**(0)**	**-**
	Income before income taxes	24	717	**850**	**133**	**18.6**
(-)	Income taxes	25	165	**192**	**27**	**16.6**
	Net income	26	551	**658**	**106**	**19.2**

Ratios	Net loss ratio Note 1	27	58.1 %	**59.7 %**	**1.6 %**	
	Net expense ratio Note 2	28	31.8 %	**31.8 %**	**0.0 %**	
	Combined ratio Note 3	29	89.9 %	**91.5 %**	**1.6 %**	

Incurred losses (including loss adjustment expenses) Note 4, 5		30	1,825	**1,771**	**(54)**	**(3.0)**
	EI loss ratio Note 4, 6	31	54.5 %	**51.9 %**	**(2.6) %**	

(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.

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

(2) Premiums written

(Yen in 100 millions)

	Net premiums written				Direct premiums written (excluding deposit premiums from policyholders)			
	Three months ended June 30, 2018		**Three months ended June 30, 2019**		Three months ended June 30, 2018		**Three months ended June 30, 2019**	
	Amount	Change ratio	**Amount**	**Change ratio**	Amount	Change ratio	**Amount**	**Change ratio**
		%		**%**		%		**%**
Fire and allied	435	0.5	**398**	**(8.5)**	659	1.4	**723**	**9.8**
Marine	164	8.7	**157**	**(4.3)**	266	6.7	**265**	**(0.0)**
Personal accident	408	2.4	**401**	**(1.9)**	435	1.8	**429**	**(1.4)**
Voluntary automobile	1,685	(0.4)	**1,706**	**1.3**	1,692	(0.2)	**1,715**	**1.3**
CALI	397	(14.0)	**427**	**7.5**	418	(5.2)	**445**	**6.4**
Other	672	6.6	**696**	**3.4**	791	7.4	**825**	**4.2**
Total	3,764	(0.2)	**3,787**	**0.6**	4,263	1.5	**4,405**	**3.3**

(3) Net claims paid

(Yen in 100 millions)

	Three months ended June 30, 2018			**Three months ended June 30, 2019**			
	Amount	Change ratio	Net loss ratio	**Amount**	**Change ratio**	**Net loss ratio**	**Change**
		%	%		**%**	**%**	**%**
Fire and allied	298	8.3	70.9	**347**	**16.6**	**90.6**	**19.7**
Marine	63	(20.3)	41.1	**75**	**18.3**	**50.2**	**9.1**
Personal accident	179	2.0	48.1	**169**	**(5.6)**	**46.5**	**(1.6)**
Voluntary automobile	825	4.1	57.0	**829**	**0.5**	**56.5**	**(0.5)**
CALI	329	1.5	91.2	**308**	**(6.3)**	**79.7**	**(11.5)**
Other	274	2.6	43.1	**313**	**14.0**	**47.1**	**4.0**
Total	1,970	2.9	58.1	**2,043**	**3.7**	**59.7**	**1.6**

(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)

	Three months ended June 30, 2018			**Three months ended June 30, 2019**		
	Incurred losses	Net claims paid	Outstanding claims	**Incurred losses**	**Net claims paid**	**Outstanding claims**
Fire and allied	10	0	10	**0**	**-**	**0**
Voluntary automobile	0	-	0	**-**	**-**	**-**
Other	0	-	0	**-**	**-**	**-**
Total	10	0	10	**0**	**-**	**0**

(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	Three months ended June 30, 2018			**Three months ended June 30, 2019**		
		Amount	Change	Change ratio	**Amount**	**Change**	**Change ratio**
				%			**%**
Personnel expenses	1	435	(2)	(0.6)	**424**	**(10)**	**(2.5)**
Non-personnel expenses	2	310	24	8.6	**304**	**(5)**	**(1.8)**
Taxes and contributions	3	32	0	0.8	**32**	**(0)**	**(0.6)**
Total	4	778	22	2.9	**761**	**(16)**	**(2.1)**

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

<Expenses for underwriting>

(Yen in 100 millions)

	Items	Three months ended June 30, 2018			**Three months ended June 30, 2019**		
		Amount	Change	Change ratio	**Amount**	**Change**	**Change ratio**
				%			**%**
Operating expenses and general and administrative expenses	5	534	17	3.3	**516**	**(17)**	**(3.3)**
Commissions and collection expenses	6	663	5	0.8	**685**	**21**	**3.3**
Total	7	1,198	22	1.9	**1,202**	**4**	**0.4**
Net expense ratio	8	31.8 %	0.6 %		**31.8 %**	**0.0 %**	

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

(5) Catastrophe reserve

(Yen in 100 millions)

	March 31, 2019		**June 30, 2019**			
	Balance	Reserve ratio	**Reversal**	**Provision**	**Balance**	**Reserve ratio**
		%				**%**
Fire and allied	890	44.9	**90**	**46**	**845**	**53.2**
Marine	813	130.6	**-**	**3**	**817**	**129.6**
Personal accident	771	51.0	**-**	**12**	**784**	**48.9**
Voluntary automobile	871	13.3	**-**	**54**	**926**	**13.6**
Other	1,878	70.9	**7**	**23**	**1,893**	**68.0**
Total	5,224	39.2	**98**	**140**	**5,266**	**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
Reserve ratio for June 30, 2019 is calculated on an annualized basis using net premiums written multiplied by four as a denominator.

(6) Investment assets

(Yen in 100 millions)

	March 31, 2019	**June 30, 2019**	**Change**
Cash, deposits and savings	4,759	**4,048**	**(711)**
Investments in securities:	53,998	**53,705**	**(293)**
Domestic bonds	16,230	**16,150**	**(80)**
Domestic stocks	17,288	**16,672**	**(615)**
Foreign securities	20,034	**20,410**	**375**
Other securities	444	**472**	**27**
Loans	3,962	**3,876**	**(86)**
Land and buildings	1,937	**1,923**	**(13)**
Total	64,659	**63,554**	**(1,105)**

(Reference)

Long-term investment assets	11,213	**11,093**	**(119)**

(7) Breakdown of interest and dividends income

(Yen in 100 millions)

	Three months ended June 30, 2018	**Three months ended June 30, 2019**	**Change**
Investments in securities:	367	**379**	**11**
Domestic bonds	45	**41**	**(3)**
Domestic stocks	241	**233**	**(8)**
Foreign securities	77	**103**	**26**
Other securities	3	**1**	**(2)**
Loans	8	**7**	**(1)**
Land and buildings	16	**16**	**(0)**
Other	3	**3**	**0**
Total	396	**406**	**10**

(8) Investments in securities

Unrealized gains and losses on investments in securities

(Yen in 100 millions)

June 30, 2019	**Cost**	**Fair value**	**Difference**	**Change from March 31, 2019**
Domestic bonds	**14,518**	**16,150**	**1,631**	**68**
Domestic stocks	**6,245**	**16,277**	**10,032**	**(522)**
Foreign securities	**5,414**	**5,557**	**143**	**21**
Other securities	**237**	**265**	**27**	**(0)**
Total	**26,415**	**38,251**	**11,835**	**(432)**

(Yen in 100 millions)

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

(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)

	Three months ended June 30, 2018 Gains/(losses)	**Three months ended June 30, 2019 Gains/(losses)**	**Gains**	**Losses**
Domestic bonds	15	**17**	**17**	**0**
Domestic stocks	155	**104**	**108**	**3**
Foreign securities	(16)	**16**	**16**	**0**
Other securities	-	**-**	**-**	**-**
Total	153	**138**	**142**	**3**

Impairment losses on securities

(Yen in 100 millions)

	Three months ended June 30, 2018	**Three months ended June 30, 2019**	**Change**
Domestic bonds	-	**-**	**-**
Domestic stocks	10	**12**	**2**
Foreign securities	0	**0**	**(0)**
Other securities	-	**-**	**-**
Total	10	**12**	**2**

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

(1) Business Results

(Yen in 100 millions)

		Items	Three months ended June 30, 2018	**Three months ended June 30, 2019**	**Change**	**Change ratio**
						%
(+)	Net premiums written	1	3,097	**3,179**	**82**	**2.7**
(-)	Net claims paid	2	1,619	**1,656**	**37**	**2.3**
(-)	Loss adjustment expenses	3	154	**167**	**13**	**8.6**
(-)	Commissions and collection expenses	4	616	**638**	**21**	**3.5**
(-)	Operating expenses and general and administrative expenses for underwriting	5	423	**453**	**30**	**7.2**
	Underwriting profit before movements in reserves	6	284	**262**	**(21)**	**(7.4)**
(-)	Movement in outstanding claims	7	(19)	**(131)**	**(111)**	**-**
(-)	Movement in ordinary underwriting reserves	8	41	**117**	**75**	**180.5**
(+)	Other	9	41	**(17)**	**(58)**	**(141.2)**
	Underwriting profit before movement in catastrophe reserve	10	303	**259**	**(43)**	**(14.4)**
(-)	Movement in catastrophe reserve	11	107	**95**	**(11)**	**(11.1)**
	Underwriting profit	12	195	**163**	**(31)**	**(16.3)**
(+)	Interest and dividends income	13	187	**203**	**16**	**8.9**
(-)	Transfer of investment income on deposit premiums from policyholders	14	40	**40**	**(0)**	**(1.1)**
	Net interest and dividends income (item 13 - item 14)	15	146	**163**	**17**	**11.6**
(+)	Gains/(losses) on sales of securities	16	41	**60**	**19**	**46.6**
(-)	Impairment losses on securities	17	0	**30**	**29**	**5,213.6**
(+)	Other	18	(21)	**(21)**	**0**	**-**
	Investment profit	19	165	**172**	**6**	**4.0**
(+)	Other ordinary profit/(loss)	20	3	**(1)**	**(5)**	**(146.5)**
	Ordinary profit	21	364	**334**	**(30)**	**(8.4)**
(+)	Extraordinary income/(losses):	22	(20)	**(8)**	**12**	**-**
	Gains/(losses) on reserve for price fluctuation	23	(4)	**(4)**	**0**	**-**
	Income before income taxes	24	344	**325**	**(18)**	**(5.3)**
(-)	Income taxes	25	83	**86**	**2**	**3.5**
	Net income	26	260	**239**	**(21)**	**(8.1)**

Ratios	Net loss ratio	Note 1	27	57.3 %	**57.4 %**	**0.1 %**	
	Net expense ratio	Note 2	28	33.6 %	**34.3 %**	**0.7 %**	
	Combined ratio	Note 3	29	90.9 %	**91.7 %**	**0.8 %**	

Incurred losses (including loss adjustment expenses)		Note 4, 5	30	1,444	**1,407**	**(37)**	**(2.6)**
	EI loss ratio	Note 4, 6	31	54.5 %	**52.1 %**	**(2.4) %**	

(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. 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.

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

(2) Premiums written

(Yen in 100 millions)

	Net premiums written				Direct premiums written (excluding deposit premiums from policyholders)			
	Three months ended June 30, 2018		**Three months ended June 30, 2019**		Three months ended June 30, 2018		**Three months ended June 30, 2019**	
	Amount	Change ratio	**Amount**	**Change ratio**	Amount	Change ratio	**Amount**	**Change ratio**
		%		%		%		%
Fire and allied	406	1.0	**414**	**1.8**	484	3.3	**538**	**11.1**
Marine	19	1.6	**19**	**(0.5)**	0	-	**-**	**(100.0)**
Personal accident	173	4.2	**157**	**(9.3)**	182	2.5	**168**	**(7.9)**
Voluntary automobile	1,775	0.5	**1,825**	**2.8**	1,691	(0.3)	**1,718**	**1.6**
CALI	363	(13.3)	**384**	**5.7**	436	(6.3)	**470**	**7.7**
Other	358	3.3	**379**	**5.8**	410	3.0	**427**	**4.4**
Total	3,097	(0.8)	**3,179**	**2.7**	3,205	(0.1)	**3,323**	**3.7**

(3) Net claims paid

(Yen in 100 millions)

	Three months ended June 30, 2018			**Three months ended June 30, 2019**			
	Amount	Change ratio	Net loss ratio	**Amount**	**Change ratio**	**Net loss ratio**	**Change**
		%	%		%	%	%
Fire and allied	270	49.0	68.8	**286**	**5.9**	**72.0**	**3.2**
Marine	8	4.9	42.4	**11**	**37.4**	**58.6**	**16.2**
Personal accident	64	(2.7)	41.0	**62**	**(3.0)**	**45.6**	**4.6**
Voluntary automobile	861	5.3	54.3	**884**	**2.7**	**54.7**	**0.4**
CALI	284	0.0	85.2	**264**	**(7.0)**	**74.5**	**(10.7)**
Other	130	(4.4)	39.2	**148**	**13.3**	**41.9**	**2.7**
Total	1,619	8.3	57.3	**1,656**	**2.3**	**57.4**	**0.1**

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

(Reference) Incurred losses caused by natural disasters in Japan

(Yen in 100 millions)

	Three months ended June 30, 2018			**Three months ended June 30, 2019**		
	Incurred losses	Net claims paid	Outstanding claims	**Incurred losses**	**Net claims paid**	**Outstanding claims**
Fire and allied	1	0	1	**3**	**0**	**2**
Voluntary automobile	-	-	-	**0**	**0**	**0**
Other	0	0	0	**0**	**0**	**0**
Total	1	0	1	**4**	**0**	**3**

(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	Three months ended June 30, 2018			**Three months ended June 30, 2019**		
		Amount	Change	Change ratio	**Amount**	**Change**	**Change ratio**
				%			%
Personnel expenses	1	312	(11)	(3.6)	**322**	**10**	**3.3**
Non-personnel expenses	2	262	14	6.0	**290**	**27**	**10.5**
Taxes and contributions	3	28	0	0.1	**28**	**0**	**1.7**
Total	4	603	3	0.5	**642**	**38**	**6.4**

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

<Expenses for underwriting>

(Yen in 100 millions)

	Items	Three months ended June 30, 2018			**Three months ended June 30, 2019**		
		Amount	Change	Change ratio	**Amount**	**Change**	**Change ratio**
				%			%
Operating expenses and general and administrative expenses	5	423	(4)	(1.1)	**453**	**30**	**7.2**
Commissions and collection expenses	6	616	(3)	(0.6)	**638**	**21**	**3.5**
Total	7	1,039	(8)	(0.8)	**1,091**	**52**	**5.0**
Net expense ratio	8	33.6 %	0.0 %		**34.3 %**	**0.7 %**	

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

(5) Catastrophe reserve

(Yen in 100 millions)

	March 31, 2019		**June 30, 2019**			
	Balance	Reserve ratio	**Reversal**	**Provision**	**Balance**	**Reserve ratio**
		%				**%**
Fire and allied	749	40.8	**38**	**49**	**760**	**46.0**
Marine	137	168.7	**0**	**0**	**136**	**178.9**
Personal accident	691	108.1	**-**	**5**	**696**	**110.4**
Voluntary automobile	533	7.8	**-**	**58**	**591**	**8.1**
Other	736	55.3	**0**	**22**	**758**	**50.1**
Total	2,848	26.5	**39**	**135**	**2,944**	**26.3**

(Note) Reserve ratio = catastrophe reserve / net premiums written (excluding premiums of residential earthquake insurance and CALI) x 100
Reserve ratio for June 30, 2019 is calculated on an annualized basis using net premiums written multiplied by four as a denominator.

(6) Investment assets

(Yen in 100 millions)

	March 31, 2019	**June 30, 2019**	**Change**
Cash, deposits and savings	1,839	**1,586**	**(252)**
Investments in securities:	24,113	**23,464**	**(649)**
Domestic bonds	8,408	**8,177**	**(230)**
Domestic stocks	8,234	**7,825**	**(408)**
Foreign securities	6,771	**6,775**	**3**
Other securities	698	**685**	**(13)**
Loans	2,010	**2,007**	**(2)**
Land and buildings	1,592	**1,585**	**(6)**
Total	29,555	**28,643**	**(911)**

(Reference)

Long-term investment assets	3,903	**3,841**	**(62)**

(7) Breakdown of interest and dividends income

(Yen in 100 millions)

	Three months ended June 30, 2018	**Three months ended June 30, 2019**	**Change**
Investments in securities:	168	**183**	**15**
Domestic bonds	23	**21**	**(2)**
Domestic stocks	106	**111**	**4**
Foreign securities	36	**37**	**1**
Other securities	1	**13**	**11**
Loans	5	**5**	**(0)**
Land and buildings	11	**12**	**0**
Other	1	**3**	**1**
Total	187	**203**	**16**

(8) Investments in securities

Unrealized gains and losses on investments in securities

(Yen in 100 millions)

June 30, 2019	**Cost**	**Fair value**	**Difference**	**Change from March 31, 2019**
Domestic bonds	**7,506**	**8,177**	**671**	**26**
Domestic stocks	**3,931**	**7,559**	**3,628**	**(331)**
Foreign securities	**5,457**	**5,907**	**450**	**39**
Other securities	**563**	**608**	**44**	**(2)**
Total	**17,458**	**22,253**	**4,794**	**(268)**

(Yen in 100 millions)

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

(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)

	Three months ended June 30, 2018 Gains/(losses)	**Three months ended June 30, 2019 Gains/(losses)**	**Gains**	**Losses**
Domestic bonds	(1)	**8**	**8**	**0**
Domestic stocks	36	**38**	**39**	**0**
Foreign securities	6	**13**	**13**	**-**
Other securities	-	**-**	**-**	**-**
Total	41	**60**	**61**	**0**

Impairment losses on securities

(Yen in 100 millions)

	Three months ended June 30, 2018	**Three months ended June 30, 2019**	**Change**
Domestic bonds	-	**-**	**-**
Domestic stocks	0	**22**	**22**
Foreign securities	-	**7**	**7**
Other securities	-	**-**	**-**
Total	0	**30**	**29**

4. Supplementary Information

(1) Supplementary Information on Consolidated Business Results

(a) Consolidated Business Results

(Yen in 100 millions)

	Three months ended June 30, 2018	**Three months ended June 30, 2019**	**Change**	**Change ratio**
Ordinary income and expenses:				
Underwriting income:	**13,134**	**13,367**	**232**	**1.8 %**
Net premiums written	9,705	9,768	62	0.6
Deposit premiums from policyholders	211	221	9	4.7
Life insurance premiums	2,905	2,984	78	2.7
Reversal of outstanding claims	75	272	197	262.7
Underwriting expenses:	**11,398**	**10,707**	**(690)**	**(6.1)**
Net claims paid	4,758	4,777	19	0.4
Loss adjustment expenses	421	440	19	4.6
Commissions and collection expenses	1,781	1,835	53	3.0
Maturity refunds to policyholders	486	483	(3)	(0.6)
Life insurance claims	988	923	(65)	(6.6)
Provision for underwriting reserves	2,949	2,185	(764)	(25.9)
Investment income:	**1,450**	**1,538**	**87**	**6.0**
Interest and dividends income	900	912	12	1.3
Investment gains on money trusts	158	194	36	22.7
Gains on sales of securities	261	231	(29)	(11.4)
Investment gains on separate accounts	195	69	(126)	(64.6)
Investment expenses:	**248**	**1,341**	**1,092**	**439.4**
Investment losses on money trusts	34	236	202	591.4
Losses on sales of securities	44	14	(30)	(68.4)
Impairment losses on securities	14	30	15	109.6
Operating expenses and general and administrative expenses	**1,686**	**1,698**	**11**	**0.7**
Other ordinary income and expenses:	**2**	**20**	**18**	**785.6**
Gains/(losses) on equity method investments	(1)	24	25	-
Ordinary profit	**1,254**	**1,179**	**(74)**	**(6.0)**
Extraordinary income and losses:				
Extraordinary income	**0**	**119**	**119**	**19,250.8**
Extraordinary losses	**124**	**7**	**(117)**	**(94.2)**
Extraordinary income/(losses)	**(124)**	**112**	**236**	**-**
Income before income taxes	**1,129**	**1,291**	**162**	**14.3**
Income taxes	**287**	**322**	**35**	**12.2**
Net income	**841**	**968**	**127**	**15.1**
Net income attributable to non-controlling interests	**3**	**8**	**5**	**183.6**
Net income attributable to owners of the parent	**838**	**959**	**121**	**14.5**

(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.

(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	Three months ended June 30, 2018			Three months ended June 30, 2019		
	Amount	Share (%)	Change ratio (%)	Amount	Share (%)	Change ratio (%)
Fire and allied	174,199	16.8	12.2	186,821	17.6	7.2
Marine	69,563	6.7	(10.6)	66,523	6.3	(4.4)
Personal accident	89,393	8.6	0.1	88,203	8.3	(1.3)
Voluntary automobile	412,546	39.7	1.0	420,024	39.6	1.8
CALI	85,532	8.2	(5.8)	91,612	8.6	7.1
Other	207,451	20.0	13.5	207,442	19.6	(0.0)
Total:	**1,038,686**	**100.0**	**3.4**	**1,060,628**	**100.0**	**2.1**
Deposit premiums from policyholders	21,182	2.0	(7.7)	22,181	2.1	4.7

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

Voluntary automobile	414,211		1.2	420,024		1.4
Total	**1,040,352**		**3.5**	**1,060,628**		**1.9**

Net Premiums Written by Line of Insurance

(Yen in millions)

Lines of Insurance	Three months ended June 30, 2018			Three months ended June 30, 2019		
	Amount	Share (%)	Change ratio (%)	Amount	Share (%)	Change ratio (%)
Fire and allied	149,278	15.4	6.9	146,409	15.0	(1.9)
Marine	53,811	5.5	(20.5)	49,830	5.1	(7.4)
Personal accident	71,979	7.4	3.1	71,403	7.3	(0.8)
Voluntary automobile	426,959	44.1	0.2	438,074	44.9	2.6
CALI	76,205	7.9	(13.7)	81,260	8.3	6.6
Other	190,681	19.7	17.1	189,829	19.4	(0.4)
Total	**968,915**	**100.0**	**1.5**	**976,807**	**100.0**	**0.8**

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

Voluntary automobile	428,624		0.4	438,074		2.2
Total	**970,580**		**1.6**	**976,807**		**0.6**

Net Claims Paid by Line of Insurance

(Yen in millions)

Lines of Insurance	Three months ended June 30, 2018			Three months ended June 30, 2019		
	Amount	Share (%)	Change ratio (%)	Amount	Share (%)	Change ratio (%)
Fire and allied	94,833	19.9	31.5	92,604	19.4	(2.4)
Marine	18,071	3.8	(28.3)	18,143	3.8	0.4
Personal accident	27,554	5.8	3.5	27,695	5.8	0.5
Voluntary automobile	209,176	44.0	4.6	209,397	43.8	0.1
CALI	61,475	12.9	0.8	57,424	12.0	(6.6)
Other	64,706	13.6	5.9	72,512	15.2	12.1
Total	**475,818**	**100.0**	**6.7**	**477,776**	**100.0**	**0.4**

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

(c) Investments in Securities

1. Trading securities

(Yen in millions)

	March 31, 2019		June 30, 2019	
	Carrying amount	Unrealized gains/(losses) included in income	Carrying amount	Unrealized gains/(losses) included in income
Trading securities	3,211,098	(12,558)	3,126,023	7,332

(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, 2019			June 30, 2019		
	Carrying amount	Fair value	Difference	Carrying amount	Fair value	Difference
Domestic Bonds	1,056,044	1,286,289	230,244	1,084,704	1,334,127	249,423
Other Securities	8,198	8,198	-	8,006	8,006	-
Total	1,064,243	1,294,487	230,244	1,092,710	1,342,133	249,423

(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, 2019			June 30, 2019		
	Carrying amount	Fair value	Difference	Carrying amount	Fair value	Difference
Domestic Bonds	757,068	811,591	54,522	781,945	869,038	87,093
Foreign Securities	1,606,242	1,713,764	107,521	1,546,892	1,694,628	147,735
Total	2,363,311	2,525,355	162,044	2,328,837	2,563,667	234,829

4. Available-for-sale securities

(Yen in millions)

Items	March 31, 2019			June 30, 2019		
	Cost	Carrying amount	Difference	Cost	Carrying amount	Difference
Domestic Bonds	3,592,074	3,912,768	320,693	3,544,679	3,882,747	338,067
Domestic Stocks	1,098,918	2,486,984	1,388,065	1,081,420	2,384,016	1,302,596
Foreign Securities	2,414,156	2,475,337	61,180	2,501,756	2,564,634	62,877
Other Securities	218,824	228,732	9,908	240,543	251,292	10,748
Total	7,323,973	9,103,822	1,779,848	7,368,399	9,082,690	1,714,290

(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, 2019: ¥7,553 million (comprised of ¥6,761 million on Domestic stocks and ¥792 million on Foreign securities)

For the three months ended June 30, 2019: ¥2,962 million (comprised of ¥2,831 million on Domestic stocks and ¥130 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

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

Non-Consolidated Balance Sheets

(Yen in millions)

Items	March 31, 2019	June 30, 2019
(Assets)		
Cash, deposits and savings	**451,820**	**384,319**
Receivables under resale agreements	**6,999**	**6,999**
Monetary claims bought	**13,650**	**10,022**
Money trusts	**3,543**	**3,503**
Investments in securities	**5,399,897**	**5,370,586**
Loans	**396,292**	**387,628**
Tangible fixed assets	**207,392**	**206,870**
Intangible fixed assets	**73,972**	**78,867**
Other assets	**393,734**	**343,357**
Customers' liabilities under acceptances and guarantees	**33,123**	**43,027**
Bad debt reserve	**(3,282)**	**(3,291)**
Total assets	**6,977,145**	**6,831,893**
(Liabilities)		
Policy liabilities:	**3,798,043**	**3,700,164**
Outstanding claims	644,153	627,973
Underwriting reserves	3,153,890	3,072,191
Bonds issued	**487,093**	**487,093**
Other liabilities:	**502,358**	**499,654**
Income taxes payable	18,683	18,580
Lease obligations	1,294	1,214
Asset retirement obligations	3,881	3,901
Other liabilities	478,499	475,957
Reserve for pension and retirement benefits	**134,438**	**131,873**
Reserve for retirement benefits for officers	**403**	**363**
Accrued bonuses for employees	**10,447**	**157**
Reserve for reorganization by function	**906**	**771**
Reserves under the special laws:	**76,003**	**77,068**
Reserve for price fluctuation	76,003	77,068
Deferred tax liabilities	**101,693**	**88,695**
Acceptances and guarantees	**33,123**	**43,027**
Total liabilities	**5,144,511**	**5,028,870**
(Net assets)		
Common stock	**139,595**	**139,595**
Capital surplus	**93,107**	**93,107**
Retained earnings	**685,439**	**689,437**
Total shareholders' equity	**918,142**	**922,140**
Net unrealized gains/(losses) on investments in securities	**885,036**	**852,353**
Net deferred gains/(losses) on hedges	**29,454**	**28,529**
Total valuation and translation adjustments	**914,491**	**880,882**
Total net assets	**1,832,634**	**1,803,023**
Total liabilities and net assets	**6,977,145**	**6,831,893**

Non-Consolidated Statements of Income

(Yen in millions)

Items	Three months ended June 30, 2018	Three months ended June 30, 2019
Ordinary income:	**455,194**	**475,782**
Underwriting income:	**402,584**	**427,383**
Net premiums written	374,774	378,726
Deposit premiums from policyholders	15,066	15,497
Investment income on deposit premiums from policyholders	7,998	7,798
Reversal of outstanding claims	-	14,853
Reversal of underwriting reserves	4,450	10,503
Investment income:	**51,557**	**47,495**
Interest and dividends income	39,636	40,698
Investment gains on money trusts	174	-
Gains on sales of securities	17,472	14,218
Transfer of investment income on deposit premiums from policyholders	(7,998)	(7,798)
Other ordinary income	**1,053**	**903**
Ordinary expenses:	**382,349**	**389,437**
Underwriting expenses:	**320,120**	**328,845**
Net claims paid	197,048	204,323
Loss adjustment expenses	21,556	21,678
Commissions and collection expenses	66,399	68,590
Maturity refunds to policyholders	34,869	33,288
Provision for outstanding claims	157	-
Investment expenses:	**4,012**	**3,769**
Investment losses on money trusts	-	31
Losses on sales of securities	2,133	398
Impairment losses on securities	1,035	1,248
Operating expenses and general and administrative expenses	**56,288**	**54,508**
Other ordinary expenses:	**1,928**	**2,314**
Interest expense	1,915	2,288
Ordinary profit	**72,844**	**86,344**
Extraordinary income	**22**	**78**
Extraordinary losses	**1,143**	**1,334**
Income before income taxes	**71,723**	**85,088**
Income taxes	**16,531**	**19,272**
Net income	**55,191**	**65,815**

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, 2019	June 30, 2019
(A) Total amount of solvency margin	3,321,706	3,377,646
Total net assets	856,325	922,140
Reserve for price fluctuation	76,003	77,068
Contingency reserve	60	76
Catastrophe reserve	527,790	532,173
General bad debt reserve	111	97
Net unrealized gains/(losses) on investments in securities and net deferred gains/(losses) on hedges (prior to tax effect deductions)	1,104,761	1,063,963
Net unrealized gains/(losses) on land	48,551	48,508
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	6,642	6,642
Others	227,650	253,166
(B) Total amount of risks $\sqrt{(R_1+R_2)^2+(R_3+R_4)^2}+R_5+R_6$	918,540	913,298
General insurance risk (R_1)	131,847	132,623
Insurance risk of third sector insurance contracts (R_2)	-	-
Assumed interest rate risk (R_3)	14,611	14,371
Asset management risk (R_4)	757,347	756,866
Business administration risk (R_5)	20,376	20,286
Catastrophe risk (R_6)	115,025	110,454
(C) Solvency margin ratio [(A) / {(B) x 1/2}] x 100	723.2 %	739.6 %

(Note) The non-consolidated solvency margin ratio for June 30, 2019 is calculated by partially applying the simplified method where components such as the catastrophe risk (R6) are calculated based on the data used for March 31, 2019.

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

Non-Consolidated Balance Sheets

(Yen in millions)

Items	March 31, 2019	June 30, 2019
(Assets)		
Cash, deposits and savings	**181,470**	**156,261**
Money trusts	**2,483**	**2,418**
Investments in securities	**2,411,362**	**2,346,415**
Loans	**201,022**	**200,730**
Tangible fixed assets	**177,051**	**176,490**
Intangible fixed assets	**42,914**	**45,995**
Other assets	**354,507**	**344,255**
Prepaid pension expenses	**20,501**	**20,231**
Deferred tax assets	**16,426**	**23,235**
Customers' liabilities under acceptances and guarantees	**4,500**	**4,500**
Bad debt reserve	**(1,251)**	**(1,397)**
Total assets	**3,410,989**	**3,319,136**
(Liabilities)		
Policy liabilities:	**2,426,782**	**2,371,241**
Outstanding claims	591,844	576,342
Underwriting reserves	1,834,938	1,794,898
Bonds issued	**22,000**	**22,000**
Other liabilities:	**171,219**	**164,035**
Income taxes payable	3,060	8,047
Lease obligations	3	3
Asset retirement obligations	847	870
Other liabilities	167,307	155,114
Reserve for pension and retirement benefits	**31,288**	**32,127**
Accrued bonuses for employees	**6,016**	**231**
Reserve for reorganization by function	**253**	**243**
Reserves under the special laws:	**13,373**	**13,790**
Reserve for price fluctuation	13,373	13,790
Acceptances and guarantees	**4,500**	**4,500**
Total liabilities	**2,675,433**	**2,608,169**
(Net assets)		
Common stock	**100,005**	**100,005**
Capital surplus	**81,207**	**81,207**
Retained earnings	**180,526**	**176,230**
Total shareholders' equity	**361,739**	**357,443**
Net unrealized gains/(losses) on investments in securities	**373,815**	**353,523**
Total valuation and translation adjustments	**373,815**	**353,523**
Total net assets	**735,555**	**710,966**
Total liabilities and net assets	**3,410,989**	**3,319,136**

Non-Consolidated Statements of Income

(Yen in millions)

Items	Three months ended June 30, 2018	Three months ended June 30, 2019
Ordinary income:	**346,526**	**366,083**
Underwriting income:	**324,787**	**341,835**
Net premiums written	309,744	317,959
Deposit premiums from policyholders	6,116	6,683
Investment income on deposit premiums from policyholders	4,070	4,026
Reversal of outstanding claims	1,929	13,103
Investment income:	**19,656**	**22,661**
Interest and dividends income	18,721	20,380
Investment gains on money trusts	0	0
Gains on sales of securities	4,713	6,121
Transfer of investment income on deposit premiums from policyholders	(4,070)	(4,026)
Other ordinary income	**2,082**	**1,586**
Ordinary expenses:	**310,043**	**332,673**
Underwriting expenses:	**262,858**	**280,507**
Net claims paid	161,919	165,691
Loss adjustment expenses	15,461	16,787
Commissions and collection expenses	61,640	63,823
Maturity refunds to policyholders	13,788	15,059
Provision for underwriting reserves	9,680	15,096
Investment expenses:	**1,801**	**4,160**
Losses on sales of securities	585	70
Impairment losses on securities	57	3,044
Operating expenses and general and administrative expenses	**44,891**	**47,429**
Other ordinary expenses:	**492**	**576**
Interest expense	99	100
Ordinary profit	**36,482**	**33,410**
Extraordinary income	**10**	**13**
Extraordinary losses	**2,090**	**853**
Income before income taxes	**34,402**	**32,569**
Income taxes	**8,339**	**8,629**
Net income	**26,063**	**23,940**

Non-Consolidated Solvency Margin Ratio

(Yen in millions)

	March 31, 2019	June 30, 2019
(A) Total amount of solvency margin	1,168,396	1,187,223
Total net assets	333,503	357,443
Reserve for price fluctuation	13,373	13,790
Contingency reserve	780	789
Catastrophe reserve	288,003	297,697
General bad debt reserve	231	228
Net unrealized gains/(losses) on investments in securities and net deferred gains/(losses) on hedges (prior to tax effect deductions)	456,845	432,371
Net unrealized gains/(losses) on land	23,420	23,421
Excess of policyholders' contract deposits (a)	-	-
Subordinated debts, etc. (b)	13,200	13,200
Amount excluded from the margin, out of (a) and (b)	-	-
Deductions	4,822	4,820
Others	43,859	53,102
(B) Total amount of risks $\sqrt{(R_1+R_2)^2+(R_3+R_4)^2}+R_5+R_6$	339,508	294,807
General insurance risk (R_1)	109,193	109,641
Insurance risk of third sector insurance contracts (R_2)	-	-
Assumed interest rate risk (R_3)	7,283	7,146
Asset management risk (R_4)	216,865	209,153
Business administration risk (R_5)	8,304	7,416
Catastrophe risk (R_6)	81,872	44,889
(C) Solvency margin ratio [(A) / {(B) x 1/2}] x 100	688.2 %	805.4 %

(Note) The non-consolidated solvency margin ratio for June 30, 2019 is calculated by partially applying the simplified method where components such as the catastrophe risk (R6) are calculated based on the data used for March 31, 2019.

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

Non-Consolidated Balance Sheets

(Yen in millions)

Items	March 31, 2019	June 30, 2019
(Assets)		
Cash, deposits and savings	**7,036**	**10,927**
Investments in securities	**42,042**	**38,860**
Tangible fixed assets	**548**	**515**
Intangible fixed assets	**5,076**	**4,808**
Other assets	**6,216**	**5,296**
Bad debt reserve	**(3)**	**(3)**
Total assets	**60,917**	**60,405**
(Liabilities)		
Policy liabilities:	**44,995**	**43,066**
Outstanding claims	24,432	23,356
Underwriting reserves	20,563	19,710
Other liabilities:	**1,398**	**1,080**
Income taxes payable	157	51
Asset retirement obligations	17	18
Other liabilities	1,222	1,010
Reserve for pension and retirement benefits	**163**	**177**
Accrued bonuses for employees	**280**	**-**
Reserves under the special laws:	**72**	**74**
Reserve for price fluctuation	72	74
Deferred tax liabilities	**84**	**103**
Total liabilities	**46,994**	**44,501**
(Net assets)		
Common stock	**39,106**	**39,106**
Capital surplus	**9,006**	**9,006**
Retained earnings	**(34,243)**	**(32,318)**
Total shareholders' equity	**13,868**	**15,793**
Net unrealized gains/(losses) on investments in securities	**54**	**110**
Total valuation and translation adjustments	**54**	**110**
Total net assets	**13,923**	**15,903**
Total liabilities and net assets	**60,917**	**60,405**

Non-Consolidated Statements of Income

(Yen in millions)

Items	Three months ended June 30, 2018	Three months ended June 30, 2019
Ordinary income:	**10,364**	**11,026**
Underwriting income:	**10,350**	**11,011**
Net premiums written	9,322	9,076
Investment income on deposit premiums from policyholders	4	5
Reversal of outstanding claims	122	1,076
Reversal of underwriting reserves	900	852
Investment income:	**10**	**8**
Interest and dividends income	15	14
Transfer of investment income on deposit premiums from policyholders	(4)	(5)
Other ordinary income	**4**	**6**
Ordinary expenses:	**9,293**	**9,097**
Underwriting expenses:	**6,837**	**6,824**
Net claims paid	6,104	6,114
Loss adjustment expenses	659	627
Commissions and collection expenses	72	81
Investment expenses	**-**	**-**
Operating expenses and general and administrative expenses	**2,455**	**2,271**
Other ordinary expenses	**1**	**1**
Ordinary profit	**1,071**	**1,928**
Extraordinary income	**-**	**-**
Extraordinary losses	**1**	**1**
Income before income taxes	**1,069**	**1,926**
Income taxes	**3**	**1**
Net income	**1,066**	**1,924**

Non-Consolidated Solvency Margin Ratio

(Yen in millions)

	March 31, 2019	June 30, 2019
(A) Total amount of solvency margin	15,222	16,349
Total net assets	13,868	15,793
Reserve for price fluctuation	72	74
Contingency reserve	0	0
Catastrophe reserve	1,210	341
General bad debt reserve	3	2
Net unrealized gains/(losses) on investments in securities and net deferred gains/(losses) on hedges (prior to tax effect deductions)	68	137
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 $\sqrt{(R_1+R_2)^2+(R_3+R_4)^2}+R_5+R_6$	6,117	6,111
General insurance risk (R_1)	5,516	5,516
Insurance risk of third sector insurance contracts (R_2)	-	-
Assumed interest rate risk (R_3)	0	0
Asset management risk (R_4)	1,031	1,003
Business administration risk (R_5)	205	204
Catastrophe risk (R_6)	300	300
(C) Solvency margin ratio [(A) / {(B) x 1/2}] x 100	497.6 %	535.0 %

(Note) The non-consolidated solvency margin ratio for June 30, 2019 is calculated by partially applying the simplified method to components such as the assumed interest rate risk (R_3).

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

Non-Consolidated Balance Sheets

(Yen in millions)

Items	March 31, 2019	June 30, 2019
(Assets)		
Cash, deposits and savings	**73,027**	**143,191**
Receivables under resale agreements	**465,377**	**469,216**
Investments in securities	**3,548,477**	**3,663,312**
Loans	**59,506**	**59,740**
Tangible fixed assets	**3,347**	**3,533**
Intangible fixed assets	**30,851**	**34,859**
Due from agencies	**186**	**944**
Reinsurance accounts receivable	**3,230**	**2,300**
Other assets	**45,775**	**44,751**
Bad debt reserve	**(117)**	**(114)**
Total assets	**4,229,662**	**4,421,735**
(Liabilities)		
Policy liabilities:	**3,415,379**	**3,600,729**
Outstanding claims	29,520	30,855
Underwriting reserves	3,376,079	3,559,858
Reserve for dividends to policyholders	9,780	10,015
Due to agencies	**4,296**	**3,693**
Reinsurance accounts payable	**253**	**242**
Other liabilities:	**509,173**	**506,576**
Payables under repurchase agreements	468,782	473,641
Payables under securities lending transactions	23,687	23,747
Income taxes payable	2,496	635
Lease obligations	1,624	1,898
Asset retirement obligations	434	435
Other liabilities	12,148	6,217
Reserve for pension and retirement benefits	**3,474**	**3,609**
Reserve for retirement benefits for officers	**10**	**10**
Reserves under the special laws:	**7,799**	**8,042**
Reserve for price fluctuation	7,799	8,042
Deferred tax liabilities	**13,359**	**15,724**
Total liabilities	**3,953,747**	**4,138,629**
(Net assets)		
Common stock	**85,500**	**85,500**
Capital surplus	**93,688**	**93,688**
Retained earnings	**14,645**	**14,442**
Total shareholders' equity	**193,833**	**193,630**
Net unrealized gains/(losses) on investments in securities	**82,081**	**89,475**
Total valuation and translation adjustments	**82,081**	**89,475**
Total net assets	**275,915**	**283,105**
Total liabilities and net assets	**4,229,662**	**4,421,735**

Non-Consolidated Statements of Income

(Yen in millions)

Items	Three months ended June 30, 2018	Three months ended June 30, 2019
Ordinary income:	**132,479**	**137,807**
Insurance premiums and others:	**116,771**	**123,422**
Insurance premiums	116,702	122,511
Investment income:	**13,960**	**13,259**
Interest and dividends income	11,255	11,473
Gains on sales of securities	2,698	1,779
Other ordinary income:	**1,748**	**1,125**
Reversal of outstanding claims	1,069	546
Ordinary expenses:	**127,453**	**133,181**
Insurance claims and others:	**51,537**	**54,447**
Insurance claims	10,186	10,546
Annuity payments	4,400	4,427
Benefits	5,032	6,975
Surrender benefits	30,762	29,945
Other refunds	827	1,077
Provision for underwriting reserves and others:	**51,092**	**53,885**
Provision for underwriting reserves	51,092	53,885
Provision for interest portion of reserve for dividends to policyholders	0	0
Investment expenses:	**1,842**	**310**
Interest expense	0	-
Losses on sales of securities	1,482	280
Losses on derivative transactions	348	20
Operating expenses	**19,732**	**20,265**
Other ordinary expenses	**3,250**	**4,271**
Ordinary profit	**5,025**	**4,626**
Extraordinary income	**0**	**0**
Extraordinary losses	**414**	**251**
Provision for reserve for dividends to policyholders	**1,786**	**1,672**
Income before income taxes	**2,825**	**2,701**
Income taxes	**685**	**686**
Net income	**2,140**	**2,014**

Business Results

Amount of Policies in Force and New Policies

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

	March 31, 2019		June 30, 2019	
	Number of policies (in thousands)	Amount	Number of policies (in thousands)	Amount
Individual insurance	3,219	238,475	3,623	238,315
Individual annuities	177	6,856	175	6,790
Group insurance	-	85,546	-	87,919
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)

	Three months ended June 30, 2018				Three months ended June 30, 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	81	9,127	9,127	-	78	5,008	5,008	-
Individual annuities	0	18	18	-	0	13	13	-
Group insurance	-	222	222	-	-	249	249	-
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, 2019	June 30, 2019
Individual insurance	3,897	4,073
Individual annuities	417	415
Total:	4,315	4,488
Medical coverage, living benefits, etc.	1,078	1,291

(2) New policies (Yen in 100 millions)

	Three months ended June 30, 2018	Three months ended June 30, 2019
Individual insurance	93	66
Individual annuities	0	0
Total:	94	66
Medical coverage, living benefits, etc.	40	48

(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)

	Three months ended June 30, 2018	Three months ended June 30, 2019	Change
Fundamental revenues:	129,795	136,030	6,234
Insurance premiums and others	116,771	123,422	6,651
Fundamental expenses	124,957	132,420	7,463
Fundamental profit	4,838	3,610	(1,228)
Capital gains/(losses)	851	1,483	631
Non-recurring gains/(losses)	(664)	(467)	197
Ordinary profit	5,025	4,626	(399)
Extraordinary income	0	0	0
Extraordinary losses	414	251	(162)
Provision for reserve for dividends to policyholders	1,786	1,672	(113)
Income taxes	685	686	1
Net income	2,140	2,014	(125)

Non-Consolidated Solvency Margin Ratio

(Yen in millions)

	March 31, 2019	June 30, 2019
(A) Total amount of solvency margin	505,779	521,893
Total capital	192,668	193,343
Reserve for price fluctuation	7,799	8,042
Contingency reserve	35,067	38,039
General bad debt reserve	22	18
Net unrealized gains/(losses) on investments in securities and net deferred gains/(losses) on hedges (prior to tax effect deductions) x 90%	102,601	111,844
Net unrealized gains/(losses) on land x 85%	-	-
Excess of continued Zillmerized reserve (a)	162,392	165,250
Subordinated debts, etc. (b)	-	-
Amount excluded from the margin, out of (a) and (b)	-	-
Brought in capital	-	-
Deductions	-	-
Others	5,227	5,354
(B) Total amount of risks $\sqrt{(R_1+R_8)^2+(R_2+R_3+R_7)^2}+R_4$	60,145	63,981
Insurance risk (R_1)	18,220	18,337
Insurance risk of third sector insurance contracts (R_8)	12,950	15,743
Assumed interest rate risk (R_2)	3,136	3,184
Minimum guarantee risk (R_7)	-	-
Asset management risk (R_3)	46,405	48,916
Business administration risk (R_4)	1,614	1,723
(C) Solvency margin ratio [(A) / {(B) x 1/2}] x 100	1,681.8 %	1,631.3 %

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

Non-Consolidated Balance Sheets

(Yen in millions)

Items	March 31, 2019	June 30, 2019
(Assets)		
Cash, deposits and savings	**288,811**	**286,837**
Monetary claims bought	**42,999**	**57,999**
Money trusts	**1,538,286**	**1,615,353**
Investments in securities	**4,683,396**	**4,657,096**
Loans	**244,618**	**242,443**
Tangible fixed assets	**938**	**929**
Intangible fixed assets	**10,655**	**11,079**
Reinsurance accounts receivable	**9,788**	**9,535**
Other assets	**28,814**	**32,037**
Deferred tax assets	**37,012**	**33,211**
Total assets	**6,885,323**	**6,946,524**
(Liabilities)		
Policy liabilities:	**6,555,593**	**6,612,758**
Outstanding claims	20,679	18,764
Underwriting reserves	6,534,913	6,593,993
Due to agencies	**4,040**	**4,819**
Reinsurance accounts payable	**3,936**	**3,620**
Other liabilities:	**50,443**	**54,017**
Income taxes payable	2,187	-
Lease obligations	818	697
Asset retirement obligations	174	175
Other liabilities	47,262	53,144
Reserves under the special laws:	**76,000**	**65,199**
Reserve for price fluctuation	76,000	65,199
Total liabilities	**6,690,014**	**6,740,415**
(Net assets)		
Common stock	**41,060**	**41,060**
Capital surplus	**24,735**	**24,735**
Retained earnings	**103,435**	**104,459**
Total shareholders' equity	**169,230**	**170,254**
Net unrealized gains/(losses) on investments in securities	**19,669**	**25,873**
Net deferred gains/(losses) on hedges	**6,408**	**9,979**
Total valuation and translation adjustments	**26,077**	**35,853**
Total net assets	**195,308**	**206,108**
Total liabilities and net assets	**6,885,323**	**6,946,524**

Non-Consolidated Statements of Income

(Yen in millions)

Items	Three months ended June 30, 2018	Three months ended June 30, 2019
Ordinary income:	**307,187**	**295,792**
Insurance premiums and others:	**251,479**	**262,275**
Insurance premiums	245,841	253,401
Investment income:	**53,456**	**30,548**
Interest and dividends income	21,571	22,591
Investment gains on money trusts	12,302	-
Gains on sales of securities	-	1,028
Investment gains on separate accounts	19,574	6,929
Other ordinary income:	**2,251**	**2,968**
Reversal of outstanding claims	1,488	1,914
Ordinary expenses:	**290,475**	**299,442**
Insurance claims and others:	**127,926**	**128,065**
Insurance claims	21,890	23,701
Annuity payments	20,265	19,822
Benefits	41,803	35,675
Surrender benefits	25,436	30,911
Other refunds	827	1,210
Provision for underwriting reserves and others:	**145,054**	**59,079**
Provision for underwriting reserves	145,054	59,079
Investment expenses:	**2,607**	**94,929**
Interest expense	0	14
Investment losses on money trusts	-	4,085
Losses on sales of securities	-	178
Operating expenses	**12,845**	**14,550**
Other ordinary expenses	**2,041**	**2,816**
Ordinary profit/(loss)	**16,712**	**(3,649)**
Extraordinary income	**-**	**10,800**
Extraordinary losses	**7,306**	**-**
Income before income taxes	**9,406**	**7,151**
Income taxes	**2,547**	**1,930**
Net income	**6,858**	**5,220**

Business Results

Amount of Policies in Force and New Policies

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

	March 31, 2019		June 30, 2019	
	Number of policies (in thousands)	Amount	Number of policies (in thousands)	Amount
Individual insurance	765	42,699	788	42,773
Individual annuities	379	24,085	385	24,038
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)

	Three months ended June 30, 2018				Three months ended June 30, 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	25	1,711	1,711	-	29	1,930	1,930	-
Individual annuities	14	769	769	-	10	625	625	-
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, 2019	June 30, 2019
Individual insurance	3,110	3,137
Individual annuities	2,722	2,743
Total:	5,833	5,880
Medical coverage, living benefits, etc.	0	0

(2) New policies (Yen in 100 millions)

	Three months ended June 30, 2018	Three months ended June 30, 2019
Individual insurance	135	156
Individual annuities	108	106
Total:	244	262
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)

	Three months ended June 30, 2018	Three months ended June 30, 2019	Change
Fundamental revenues:	299,928	326,764	26,836
Insurance premiums and others	251,479	262,275	10,795
Fundamental expenses	287,158	343,710	56,552
Fundamental profit/(loss)	12,770	(16,945)	(29,716)
Capital gains/(losses)	5,813	13,855	8,041
Non-recurring gains/(losses)	(1,871)	(559)	1,312
Ordinary profit/(loss)	16,712	(3,649)	(20,361)
Extraordinary income	-	10,800	10,800
Extraordinary losses	7,306	-	(7,306)
Provision for reserve for dividends to policyholders	-	-	-
Income taxes	2,547	1,930	(617)
Net income	6,858	5,220	(1,637)

Non-Consolidated Solvency Margin Ratio

(Yen in millions)

	March 31, 2019	June 30, 2019
(A) Total amount of solvency margin	616,094	576,903
Total capital	165,034	170,254
Reserve for price fluctuation	76,000	65,199
Contingency reserve	84,260	84,819
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%	24,586	32,342
Net unrealized gains/(losses) on land x 85%	-	-
Excess of continued Zillmerized reserve (a)	229,718	185,761
Subordinated debts, etc. (b)	-	-
Amount excluded from the margin, out of (a) and (b)	-	-
Brought in capital	-	-
Deductions	-	-
Others	36,495	38,525
(B) Total amount of risks $\sqrt{(R_1+R_8)^2+(R_2+R_3+R_7)^2}+R_4$	149,278	151,689
Insurance risk (R_1)	752	828
Insurance risk of third sector insurance contracts (R_8)	3	3
Assumed interest rate risk (R_2)	56,536	57,422
Minimum guarantee risk (R_7)	2,303	2,063
Asset management risk (R_3)	87,495	89,210
Business administration risk (R_4)	2,941	2,990
(C) Solvency margin ratio [(A) / {(B) x 1/2}] x 100	825.4 %	760.6 %