

FY2022 NON-CONSOLIDATED BALANCE SHEET (As of March 31, 2023)

(Yen in millions)

Item	Amount	Item	Amount
(Assets)		(Liabilities)	
Current assets	61,411	Current liabilities	3,375
Cash and deposits	11,973	Accounts payable	1,416
Deposits paid to subsidiaries and associates	11,727	Accrued expenses	705
Prepaid expenses	58	Accrued income taxes	706
Income taxes receivable	36,526	Deposits received	15
Other	1,125	Unearned revenue	19
		Accrued bonuses for employees	512
Fixed assets	1,625,986		
Tangible fixed assets	220	Non-current liabilities	304,275
Buildings	205	Bonds issued	299,900
Tools, furniture and fixtures	14	Asset retirement obligations	241
		Other	4,134
Intangible fixed assets	525		
Software	525		
Investments and other assets	1,625,241	Total liabilities	307,651
Investment securities	132,788		
Shares of subsidiaries and associates	1,413,355	(Net Assets)	
Investments in capital of subsidiaries and associates	65,864	Shareholders' equity	1,383,332
Deferred tax assets	13,232	Common stock	100,808
Other	0	Capital surplus	871,870
		Additional paid-in capital	730,064
		Other capital surplus	141,805
		Retained earnings	415,655
		Other retained earnings	415,655
		Retained earnings carried forward	415,655
		Treasury stock	(5,001)
		Valuation and translation adjustments	(4,144)
		Net unrealized gains/(losses) on securities	(4,144)
		Stock acquisition rights	558
		Total net assets	1,379,746
Total assets	1,687,398	Total liabilities and net assets	1,687,398

FY2022 NON-CONSOLIDATED STATEMENT OF INCOME

(from: April 1, 2022 to: March 31, 2023)

(Yen in millions)

Item	Amount	
Operating income		
Dividends from subsidiaries and associates	179,589	
Commissions from subsidiaries and associates	166	179,756
Operating expenses		
Sales and general administrative expenses	11,610	11,610
Operating profit		168,145
Non-operating income		
Dividends income	11,757	
Gains on forfeiture of unclaimed dividends	84	
Other	231	12,073
Non-operating expenses		
Interest on bonds	3,603	
Other	177	3,780
Ordinary profit		176,437
Income before income taxes		176,437
Income taxes – current	2,082	
Income taxes – deferred	40	2,122
Net income		174,315

FY2022 NON-CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS

(from: April 1, 2022 to: March 31, 2023)

(Yen in millions)

	Shareholders' equity							
	Common stock	Capital surplus			Retained earnings		Treasury stock	Total shareholders' equity
		Additional paid-in capital	Other capital surplus	Total capital surplus	Other retained earnings	Total retained earnings		
Beginning balance	100,534	729,790	349,734	1,079,524	348,286	348,286	(159,051)	1,369,294
Changes for the year								
Issuance of new shares	274	274		274				548
Dividends paid					(106,946)	(106,946)		(106,946)
Net income					174,315	174,315		174,315
Repurchase of treasury stock							(54,085)	(54,085)
Disposal of treasury stock			(7)	(7)			213	205
Cancellation of treasury stock			(207,920)	(207,920)			207,920	-
Net changes of items other than shareholders' equity								
Total changes for the year	274	274	(207,928)	(207,654)	67,368	67,368	154,049	14,037
Ending balance	100,808	730,064	141,805	871,870	415,655	415,655	(5,001)	1,383,332

	Valuation and translation adjustments		Stock acquisition rights	Total net assets
	Net unrealized gains/(losses) on securities	Total valuation and translation adjustments		
Beginning balance	4,461	4,461	762	1,374,518
Changes for the year				
Issuance of new shares				548
Dividends paid				(106,946)
Net income				174,315
Repurchase of treasury stock				(54,085)
Disposal of treasury stock				205
Cancellation of treasury stock				-
Net changes of items other than shareholders' equity	(8,606)	(8,606)	(203)	(8,810)
Total changes for the year	(8,606)	(8,606)	(203)	5,227
Ending balance	(4,144)	(4,144)	558	1,379,746

NON-CONSOLIDATED EXPLANATORY NOTES

(Notes on Significant Accounting Policies)

1. Valuation policies and methods of valuation of assets

- (i) Valuation of shares of subsidiaries and associates are valued at cost determined by the moving average method.
- (ii) Available-for-sale securities (except for stocks and other securities without market prices) are valued using the market value method. Net unrealized gains and losses are reported as a separate line item of net assets. Cost of sales is calculated by the moving average method.
- (iii) Of available-for-sale securities, stocks and other securities without market prices are valued at cost using the moving average method.
- (iv) Derivatives are valued using the market value method.

2. Depreciation methods of tangible fixed assets

Depreciation of tangible fixed assets is computed using the straight-line method. Useful lives for major tangible fixed assets are as follows:

Buildings:	7 to 38 years
Furniture and Fixtures:	2 to 15 years

3. Amortization methods of intangible fixed assets

Capitalized software for internal use is amortized by the straight-line method over its estimated useful life (5 years).

4. Accounting policies for reserves

Accrued bonuses for employees are determined based on the estimated amounts to be paid at the end of the current fiscal year to provide for bonuses for employees and executive officers.

5. Hedge accounting

Foreign exchange forward contracts used for hedging risks of variability in foreign exchange rates on foreign currency assets are accounted for under the deferred hedge method or the allocation method. Since it is clear that there is a high correlation between the hedged items and the hedging instruments, judgement regarding the hedge effectiveness is omitted.

6. Other important matters for the preparation of financial statements

The Company applies the group totalization system.

7. Additional information

(Stock-based remuneration system for employees)

Effective from the current fiscal year, the Company has entered into a stock-based remuneration system for employees (the “system”) of its subsidiaries Mitsui Sumitomo Insurance Co., Ltd., Aioi Nissay Dowa Insurance Co., Ltd., Mitsui Direct General Insurance Co., Ltd., Mitsui Sumitomo Aioi Life Insurance Co., Ltd., and Mitsui Sumitomo Primary Life Insurance Co., Ltd. (the “Participating Companies”).

(1) Overview of the transaction

This system is one under which shares of the Company are delivered to employees of the Participating Companies (“employees”) who satisfy certain requirements through a share delivery trust established by the Company. The number of Company shares to be granted to employees is determined by the number of points awarded based on employee classification, the Group’s performance, and other factors. The trust acquires a

substantial number of Company shares expected to be delivered from the stock market in a lump sum, based on funds contributed by the Participating Companies through the Company.

(2) Company shares outstanding in the trusts

The Company's shares outstanding in the trusts are recorded at the carrying amount (excluding the amount for incidental expenses) as treasury stock in the net assets. The carrying amount of this treasury stock at the end of the current fiscal year is 4,034 million yen, and the number of shares is 990 thousand.

(Notes to Balance Sheet)

1. Amount of accumulated depreciation of tangible fixed assets: 598 million yen
2. Amounts receivable from and payable to subsidiaries and associates

Short-term loans receivables:	12,650 million yen
Short-term loans payable:	811 million yen
Long-term loans payable:	223,941 million yen

(Notes to Statement of Income)

Volume of transactions with subsidiaries and associates

Volume of operating transactions

Operating income:	179,756 million yen
Operating expenses:	1,158 million yen
Volume in non-operating transactions:	2,648 million yen

(Notes to Statement of Changes in Net Assets)

Class and number of treasury stock as of March 31, 2023

Common stock:	1,257,916 shares
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(Notes on Tax Effect Accounting)

1. Breakdown of deferred tax assets by major category of cause

(Yen in millions)

	Mar. 31, 2023
Deferred tax assets	
Carryforward of unused tax losses	14,850
Shares of subsidiaries and associates	6,109
Net unrealized gains/(losses) on securities	1,704
Software	347
Deferred assets	299
Other	330
Subtotal: deferred tax assets	23,642
Valuation allowance for carryforward of unused tax losses	(3,845)
Valuation allowance for total deductible temporary differences	(6,563)
Subtotal: valuation allowance	(10,409)
Total deferred tax assets	13,232
Net amount of deferred tax assets	13,232

2. Accounting for corporate and local income taxes or tax-effect accounting related to these taxes

Effective from the current fiscal year, the Company has shifted from a consolidated tax return filing system to a group totalization system. In accordance with this change, the accounting treatment and disclosure of corporate and local income taxes and tax-effect accounting are subject to “Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System” (Accounting Standards Board of Japan, Practical Issues Task Force (PITF) No. 42, August 12, 2021; “PITF No. 42”). In accordance with Paragraph 32 (1) of PITF No. 42, the Company has assumed that there is no impact from the change in accounting policy resulting from the application of PITF No. 42.

(Notes on related-party transactions)

Category	Company name	Voting rights percentage (owned)	Relationship with related party	Nature of transaction	Amount of transaction (Yen in millions)	Item	Ending balance (Yen in millions)
Subsidiary	Mitsui Sumitomo Aioi Life Insurance Co., Ltd.	Ownership Direct 100.0%	Business Management, etc.	Issuance of corporate bonds (Note)	-	Bonds issued	214,900

Terms and conditions for transactions and the policy for determination thereof
(Note) Interest rates of bonds issued are reasonably determined in consideration of market interest rates.

(Notes on Per Share Information)

Net assets per share: 2,579.32 yen
Net income per share: 323.26 yen

(Note) Any amounts less than the stated unit are rounded down.