

SUMMARY OF FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED JUNE 30, 2023

August 8, 2023

Name of Listed Company: **MS&AD Insurance Group Holdings, Inc.**
 Stock Exchange Listing: Tokyo Stock Exchange and Nagoya Stock Exchange
 Securities Code Number: 8725
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Scheduled date to file the Quarterly Securities Report: August 8, 2023

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, 2023 (April 1, 2023 to June 30, 2023)

(1) Consolidated business performance (Yen in millions)

	Ordinary income		Ordinary profit		Net income attributable to owners of the parent	
Three months ended June 30, 2023	1,975,937	50.5 %	155,454	34.5 %	111,617	42.8 %
Three months ended June 30, 2022	1,312,677	- %	115,550	- %	78,138	- %

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

(Note) Comprehensive income For the three months ended June 30, 2023: ¥ 522,837 million - %
 For the three months ended June 30, 2022: ¥ (43,610) million - %

	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, 2023	209.06	209.01
Three months ended June 30, 2022	142.92	142.87

(Note) Overseas consolidated subsidiaries and overseas equity method associates have applied International Financial Reporting Standards (IFRS) 17 "Insurance Contracts" from the beginning of the three months ended June 30, 2023, since these entities have been already adopted IFRS. The figures for the three months ended June 30, 2022 are presented on IFRS 17 basis retrospectively. Change ratio as of the three months ended June 30, 2022 are not available and not presented on this table.

(2) Consolidated financial conditions (Yen in millions)

	Total assets	Net assets	Ratio of net assets less non-controlling interests to total assets
June 30, 2023	25,371,347	3,603,385	14.0 %
March 31, 2023	24,349,984	3,139,501	12.7 %

(Reference) Net assets less non-controlling interests As of June 30, 2023: ¥ 3,554,090 million
 As of March 31, 2023: ¥ 3,091,561 million

(Note) Overseas consolidated subsidiaries and overseas equity method associates have applied International Financial Reporting Standards (IFRS) 17 "Insurance Contracts" from the beginning of the three months ended June 30, 2023, since these entities have been already adopted IFRS. The figures as of March 31, 2023 are presented on IFRS 17 basis retrospectively.

2. Dividends (Yen)

	Dividends per share				
	1st quarter	2nd quarter	3rd quarter	4th quarter	Annual total
Year ended March 31, 2023	-	100.00	-	100.00	200.00
Year ending March 31, 2024	-				
Year ending March 31, 2024 (Forecast)		120.00	-	120.00	240.00

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

3. Consolidated Earnings Forecasts for the Year Ending March 31, 2024 (April 1, 2023 to March 31, 2024)

(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, 2024	420,000	43.7 %	300,000	42.2 %	562.67

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, 2023: 535,967,347 shares

As of March 31, 2023: 535,967,347 shares

2. Number of shares of treasury stock

As of June 30, 2023: 2,989,161 shares

As of March 31, 2023: 1,698,413 shares

3. Average number of shares of outstanding stock

For the three months ended June 30, 2023: 533,890,746 shares

For the three months ended June 30, 2022: 546,715,218 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 MS&AD Insurance Group Holdings, Inc. (“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, 2023	June 30, 2023
Assets		
Cash, deposits and savings	2,771,981	2,643,697
Monetary claims bought	142,976	188,782
Money trusts	2,082,012	2,199,888
Investments in securities	16,144,021	17,134,886
Loans	959,478	983,377
Tangible fixed assets	476,711	471,835
Intangible fixed assets	496,124	493,450
Other assets	1,116,656	1,149,442
Assets for retirement benefits	36,372	38,786
Deferred tax assets	102,114	46,668
Customers' liabilities under acceptances and guarantees	27,524	27,591
Bad debt reserve	(5,990)	(7,058)
Total assets	24,349,984	25,371,347
Liabilities		
Policy liabilities:	18,357,164	18,653,423
Outstanding claims	2,590,000	2,541,400
Underwriting reserves	15,767,164	16,112,022
Bonds issued	714,743	714,775
Other liabilities	1,628,137	1,826,381
Liabilities for pension and retirement benefits	141,137	142,275
Reserve for retirement benefits for officers	133	110
Accrued bonuses for employees	28,444	10,770
Reserve for stock payments	1,009	1,262
Reserves under the special laws:	277,998	281,043
Reserve for price fluctuation	277,998	281,043
Deferred tax liabilities	34,190	110,329
Acceptances and guarantees	27,524	27,591
Total liabilities	21,210,482	21,767,962
Net assets		
Shareholders' equity:		
Common stock	100,808	100,808
Capital surplus	345,144	345,115
Retained earnings	1,383,907	1,440,507
Treasury stock	(6,662)	(13,094)
Total shareholders' equity	1,823,199	1,873,337
Accumulated other comprehensive income:		
Net unrealized gains/(losses) on investments in securities	1,216,563	1,605,175
Net deferred gains/(losses) on hedges	(21,996)	(42,354)
Foreign currency translation adjustments	80,611	124,547
Accumulated actuarial gains/(losses) on retirement benefits	(9,448)	(9,399)
Net unrealized gains/(losses) on policy liabilities for foreign subsidiaries, etc.	2,632	2,784
Total accumulated other comprehensive income	1,268,362	1,680,752
Stock acquisition rights	558	423
Non-controlling interests	47,381	48,871
Total net assets	3,139,501	3,603,385
Total liabilities and net assets	24,349,984	25,371,347

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

(Yen in millions)

	Three months ended June 30, 2022	Three months ended June 30, 2023
Ordinary income:	1,312,677	1,975,937
Underwriting income:	903,418	1,389,233
Net premiums written	1,026,949	1,136,235
Deposit premiums from policyholders	11,928	10,479
Investment income on deposit premiums from policyholders	8,518	8,636
Life insurance premiums	(156,648)	214,448
Investment income:	402,657	576,090
Interest and dividends income	105,990	117,374
Investment gains on money trusts	179,495	164,931
Investment gains on trading securities	-	14,577
Gains on sales of securities	31,004	38,098
Investment gains on separate accounts	-	105,295
Transfer of investment income on deposit premiums from policyholders	(8,518)	(8,636)
Other ordinary income	6,602	10,612
Ordinary expenses:	1,197,127	1,820,482
Underwriting expenses:	923,838	1,569,571
Net claims paid	507,355	532,677
Loss adjustment expenses	51,723	56,907
Commissions and collection expenses	192,808	204,189
Maturity refunds to policyholders	37,011	32,497
Life insurance claims	86,991	127,016
Provision for outstanding claims	23,625	77,377
Provision for underwriting reserves	23,261	537,757
Investment expenses:	91,533	48,323
Investment losses on money trusts	19,870	25,979
Investment losses on trading securities	4,576	-
Losses on sales of securities	14,000	5,093
Impairment losses on securities	7,492	1,212
Investment losses on separate accounts	44,828	-
Operating expenses and general and administrative expenses	176,608	191,472
Other ordinary expenses:	5,146	11,115
Interest expense	2,529	2,442
Ordinary profit	115,550	155,454
Extraordinary income:	38	78
Gains on sales of fixed assets	38	78
Extraordinary losses:	8,245	5,104
Losses on sales of fixed assets	3,988	1,295
Impairment losses on fixed assets	1,365	762
Provision for reserves under the special laws:	2,890	3,045
Provision for reserve for price fluctuation	2,890	3,045
Income before income taxes	107,343	150,429
Income taxes	28,049	38,148
Net income	79,294	112,280
Net income attributable to non-controlling interests	1,155	662
Net income attributable to owners of the parent	78,138	111,617

(Consolidated Statements of Comprehensive Income)

(Yen in millions)

	Three months ended June 30, 2022	Three months ended June 30, 2023
Net income	79,294	112,280
Other comprehensive income:		
Net unrealized gains/(losses) on investments in securities	(201,693)	377,241
Net deferred gains/(losses) on hedges	(10,894)	(20,882)
Foreign currency translation adjustments	72,183	37,115
Accumulated actuarial gains/(losses) on retirement benefits	(441)	48
Net unrealized gains/(losses) on policy liabilities for foreign subsidiaries, etc.	4,477	1,274
Share of other comprehensive income of equity method investments	13,463	15,759
Total other comprehensive income	(122,904)	410,557
Total comprehensive income	(43,610)	522,837
Allocation:		
Comprehensive income attributable to owners of the parent	(46,885)	521,046
Comprehensive income attributable to non-controlling interests	3,275	1,791

3. Notes to Consolidated Financial Statements

(Note on Going Concern)

Not applicable.

(Note on 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 IFRS 9 *Financial Instruments*)

Overseas consolidated subsidiaries and overseas equity method associates have applied International Financial Reporting Standards (IFRS) 9 "Financial Instruments" from the beginning of the period for the three months ended June 30, 2023, since these entities have been already adopted IFRS. Therefore, the principles for classification and measurement of financial instruments have been changed. According to the transitional arrangements of IFRS 9, accumulated transitional impacts were adjusted on Retained earnings and Accumulated other comprehensive income at the beginning of the period for the three months ended June 30, 2023. As a result, a decrease of ¥1,448 million on Retained earnings and ¥2,961 million of Net unrealized gains on investments in securities were recorded at the beginning of the period for the three months ended June 30, 2023. In addition, an increase of ¥2,901 million was recorded respectively on Ordinary profit and Income before income taxes for the period for the three months ended June 30, 2023.

(Application of IFRS 17 *Insurance Contracts*)

Overseas consolidated subsidiaries and overseas equity method associates have applied International Financial Reporting Standards (IFRS) 17 "Insurance Contract" from the beginning of the period for the three months ended June 30, 2023, since these entities have been already adopted IFRS. Therefore, policy liabilities were measured by reflecting time value of money, financial risks and non-financial risks related to future cash flows of insurance contracts.

In terms of transition from IFRS 4* to IFRS 17, consolidated financial statements for the period for the three months ended June 30, 2022 and for the year ended March 31, 2023 were retrospectively restated. Compared to the results of the three months ended June 30, 2022 under IFRS 4, Ordinary profit and Income before income taxes were increased by ¥21,999 million for the three months ended June 30, 2022, mainly due to a decrease of ¥21,789 million in Provision for outstanding claims. In addition, ¥5,316 million of investment in associates, ¥627,121 million of Other assets and ¥20,707 million of Deferred tax assets were increased respectively on the total assets for the year ended March 31, 2023. As for the total liabilities for the year ended March 31, 2023, decreases of ¥512,434 million of Policy liabilities and ¥224,255 million of Other liabilities, an increase of ¥3,012 million of Deferred tax liabilities were recorded respectively. According to the reflection of retrospective impacts to net assets for the year ended March 31, 2023, increases of ¥28,503 million of Retained earnings and ¥1,460 million of non-controlling interests, a decrease of ¥1,924 million of Accumulated other comprehensive income arising from Net unrealized gains on policy liabilities for foreign subsidiaries, etc. were recorded respectively.

* IFRS 4 is the standard for Insurance contracts replaced by IFRS 17 at the beginning for the period of the three months ended June 30, 2023.

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, 2022	Three months ended June 30, 2023	Change	Change ratio
					%
Net premiums written (non-life insurance)	1	10,269	11,362	1,092	10.6
Mitsui Sumitomo Insurance	2	3,914	3,958	44	1.1
Aioi Nissay Dowa Insurance	3	3,225	3,329	104	3.3
Simple sum	4	7,139	7,288	149	2.1
Mitsui Direct General Insurance	5	86	85	(0)	(0.9)
Overseas insurance subsidiaries	6	3,042	3,985	942	31.0
Insurance premiums (domestic life insurance)	7	3,728	3,949	220	5.9
Mitsui Sumitomo Aioi Life Insurance	8	1,171	1,137	(34)	(2.9)
Mitsui Sumitomo Primary Life Insurance	9	2,557	2,811	254	10.0
Ordinary profit	10	1,155	1,554	399	34.5
Net income attributable to owners of the parent	11	781	1,116	334	42.8
Mitsui Sumitomo Insurance	12	429	693	263	61.5
Aioi Nissay Dowa Insurance	13	239	244	4	1.9
Simple sum	14	669	937	268	40.1
Mitsui Direct General Insurance	15	10	2	(7)	(74.8)
Mitsui Sumitomo Aioi Life Insurance	16	53	70	16	30.9
Mitsui Sumitomo Primary Life Insurance	17	32	143	110	335.3
Overseas insurance subsidiaries	18	156	157	0	0.4
Others, consolidation adjustments, etc.	19	(141)	(194)	(53)	-

(Note) 1. 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. Overseas consolidated subsidiaries and overseas equity method associates have applied International Financial Reporting Standards (IFRS)17 "Insurance Contracts" from the beginning of the three months ended June 30, 2023, since these entities have been already adopted IFRS. The figures for the three months ended June 30, 2022 are presented on IFRS 17 basis retrospectively.

(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	Three months ended June 30, 2022	Three months ended June 30, 2023	Change	Change ratio %
(+)	Net premiums written	7,139	7,288	149	2.1
(-)	Net claims paid	4,070	4,044	(25)	(0.6)
(-)	Loss adjustment expenses	460	480	19	4.3
(-)	Commissions and collection expenses	1,489	1,475	(14)	(0.9)
(-)	Operating expenses and general and administrative expenses for underwriting	1,023	1,016	(7)	(0.7)
	Underwriting profit before movements in reserves	95	271	176	184.8
(-)	Movement in outstanding claims	352	457	105	29.8
(-)	Movement in ordinary underwriting reserves	3	(131)	(134)	(4,223.6)
(+)	Other	200	200	0	0.2
	Underwriting profit/(loss) before movement in catastrophe reserve	(59)	146	206	-
(-)	Movement in catastrophe reserve	(240)	(124)	116	-
	Underwriting profit	180	270	89	49.8
(+)	Interest and dividends income	736	752	15	2.1
(-)	Transfer of investment income on deposit premiums from policyholders	94	94	(0)	(0.3)
	Net interest and dividends income (item 13 - item 14)	641	657	15	2.4
(+)	Gains/(losses) on sales of securities	154	329	175	113.1
(-)	Impairment losses on securities	66	11	(54)	(82.4)
(+)	Other	23	27	4	20.8
	Investment profit	753	1,003	249	33.2
(+)	Other ordinary profit/(loss)	(39)	(34)	4	-
	Ordinary profit	895	1,239	344	38.5
(+)	Extraordinary income/(losses):	(69)	(42)	27	-
	Gains/(losses) on reserve for price fluctuation	(15)	(15)	0	-
	Income before income taxes	825	1,197	372	45.1
(-)	Income taxes	156	260	104	66.7
	Net income	669	937	268	40.1

Ratios	Net loss ratio	Note 1	27	63.5 %	62.1 %	(1.4) %	
	Net expense ratio	Note 2	28	35.2 %	34.2 %	(1.0) %	
	Combined ratio	Note 3	29	98.7 %	96.3 %	(2.4) %	

Incurred losses (including loss adjustment expenses)		Note 4, 5	30	4,347	4,475	127	2.9
	EI loss ratio	Note 4, 6	31	67.9 %	67.0 %	(0.9) %	

- (Notes) 1. Net loss ratio = (net claims paid + loss adjustment expenses) / net premiums written x 100
2. Net expense ratio = (commissions and collection expenses + operating expenses and general and administrative expenses for underwriting) / net premiums written x 100
3. Combined ratio = net loss ratio + net expense ratio
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, 2022	Three months ended June 30, 2023	Change	Change ratio
Amount of new policies ^(Note)	1	3,381	3,101	(280)	(8.3) %
Annualized premiums of new policies	2	57	58	1	1.8 %
Amount of policies in force ^(Note)	3	(As of the beginning of FY2023) 232,499	230,493	(Change from the beginning of FY2023) (2,005)	(0.9) %
Annualized premiums for policies in force	4	(As of the beginning of FY2023) 4,405	4,384	(Change from the beginning of FY2023) (20)	(0.5) %
Insurance premiums	5	1,171	1,137	(34)	(2.9) %
Ordinary profit	6	87	112	24	28.5 %
Extraordinary income/(losses)	7	(3)	(3)	0	-
Net income	8	53	70	16	30.9 %

(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, 2022	Three months ended June 30, 2023	Change	Change ratio
Amount of new policies ^(Note)	1	2,628	3,023	395	15.0 %
Amount of policies in force ^(Note)	2	(As of the beginning of FY2023) 69,322	74,437	(Change from the beginning of FY2023) 5,115	7.4 %
Insurance premiums	3	2,557	2,811	254	10.0 %
Ordinary profit	4	54	209	154	282.5 %
Extraordinary income/(losses)	5	(9)	(11)	(1)	-
Net income	6	32	143	110	335.3 %

(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, 2022	Three months ended June 30, 2023	Change	Change ratio
Net premiums written	1	3,042	3,985	942	31.0 %
Asia	2	510	579	69	13.6
Europe	3	2,400	3,224	824	34.3
Americas	4	132	181	49	37.1
Net income attributable to owners of the parent	5	156	157	0	0.4
Asia	6	77	92	14	18.8
Europe	7	54	15	(39)	(71.7)
Americas	8	3	13	9	318.8
International life insurance	9	20	36	15	73.9

(Note) Overseas consolidated subsidiaries and overseas equity method associates have applied International Financial Reporting Standards (IFRS)17

"Insurance Contracts" from the beginning of the three months ended June 30, 2023, since these entities have been already adopted IFRS.

The figures for the three months ended June 30, 2022 are presented on IFRS 17 basis retrospectively.

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

(1) Business Results

(Yen in 100 millions)

	Items	Three months ended June 30, 2022	Three months ended June 30, 2023	Change	Change ratio
					%
(+) Net premiums written	1	3,914	3,958	44	1.1
(-) Net claims paid	2	2,161	2,149	(12)	(0.6)
(-) Loss adjustment expenses	3	248	269	21	8.6
(-) Commissions and collection expenses	4	775	753	(21)	(2.8)
(-) Operating expenses and general and administrative expenses for underwriting	5	566	561	(4)	(0.8)
Underwriting profit before movements in reserves	6	162	224	61	38.2
(-) Movement in outstanding claims	7	233	241	7	3.3
(-) Movement in ordinary underwriting reserves	8	(0)	(173)	(172)	-
(+) Other	9	51	40	(10)	(21.5)
Underwriting profit/(loss) before movement in catastrophe reserve	10	(19)	196	216	-
(-) Movement in catastrophe reserve	11	(82)	(37)	45	-
Underwriting profit	12	63	234	171	271.2
(+) Interest and dividends income	13	524	530	5	1.1
(-) Transfer of investment income on deposit premiums from policyholders	14	62	60	(1)	(2.3)
Net interest and dividends income (item 13 - item 14)	15	462	469	7	1.5
(+) Gains/(losses) on sales of securities	16	45	134	89	197.8
(-) Impairment losses on securities	17	56	9	(46)	(83.1)
(+) Other	18	45	81	36	81.5
Investment profit	19	496	675	179	36.2
(+) Other ordinary profit/(loss)	20	(25)	(15)	9	-
Ordinary profit	21	534	894	359	67.4
(+) Extraordinary income/(losses)	22	(14)	(14)	0	-
Gains/(losses) on reserve for price fluctuation	23	(10)	(10)	0	-
Income before income taxes	24	519	879	360	69.3
(-) Income taxes	25	90	186	96	106.7
Net income	26	429	693	263	61.5

Ratios	Net loss ratio	Note 1	27	61.6 %	61.1 %	(0.5) %	
	Net expense ratio	Note 2	28	34.3 %	33.2 %	(1.1) %	
	Combined ratio	Note 3	29	95.9 %	94.3 %	(1.6) %	

Incurred losses (including loss adjustment expenses)	Note 4, 5	30	2,355	2,383	28	1.2
	EI loss ratio	Note 4, 6	31	66.6 %	64.3 %	(2.3) %

- (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.
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)			
	Three months ended June 30, 2022		Three months ended June 30, 2023		Three months ended June 30, 2022		Three months ended June 30, 2023	
	Amount	Change ratio %	Amount	Change ratio %	Amount	Change ratio %	Amount	Change ratio %
Fire and allied	414	(3.6)	433	4.6	853	6.7	837	(1.9)
Marine	202	31.9	212	4.8	344	26.4	372	8.3
Personal accident	429	3.6	444	3.4	448	5.5	481	7.3
Voluntary automobile	1,734	(0.3)	1,742	0.5	1,759	(0.4)	1,768	0.5
CALI	321	(10.8)	341	6.2	328	(6.6)	303	(7.5)
Other	811	2.5	784	(3.4)	977	2.8	985	0.8
Total	3,914	0.6	3,958	1.1	4,712	3.2	4,750	0.8

(3) Net claims paid

(Yen in 100 millions)

	Three months ended June 30, 2022			Three months ended June 30, 2023			
	Amount	Change ratio %	Net loss ratio %	Amount	Change ratio %	Net loss ratio %	Change %
Fire and allied	442	42.1	109.9	356	(19.6)	85.9	(24.0)
Marine	61	(8.9)	32.3	72	17.5	36.1	3.8
Personal accident	212	24.9	53.5	206	(3.0)	50.7	(2.8)
Voluntary automobile	838	5.9	58.0	937	11.8	64.2	6.2
CALI	246	(5.1)	85.6	245	(0.2)	80.9	(4.7)
Other	360	(6.4)	46.5	331	(8.1)	44.4	(2.1)
Total	2,161	8.9	61.6	2,149	(0.6)	61.1	(0.5)

(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, 2022			Three months ended June 30, 2023		
	Incurred losses	Net claims paid	Outstanding claims	Incurred losses	Net claims paid	Outstanding claims
Fire and allied	80	2	77	70	3	67
Voluntary automobile	112	5	106	26	12	14
Other	0	0	0	3	0	3
Total	193	8	184	100	15	84

(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, 2022			Three months ended June 30, 2023		
		Amount	Change	Change ratio %	Amount	Change	Change ratio %
Personnel expenses	1	383	(16)	(4.2)	382	(0)	(0.2)
Non-personnel expenses	2	429	44	11.5	452	22	5.3
Taxes and contributions	3	35	1	3.5	35	(0)	(0.6)
Total	4	848	28	3.5	870	21	2.6

(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, 2022			Three months ended June 30, 2023		
		Amount	Change	Change ratio %	Amount	Change	Change ratio %
Operating expenses and general and administrative expenses	5	566	11	2.1	561	(4)	(0.8)
Commissions and collection expenses	6	775	4	0.6	753	(21)	(2.8)
Total	7	1,341	15	1.2	1,315	(26)	(2.0)
Net expense ratio	8	34.3 %	0.2 %		33.2 %	(1.1) %	

(5) Catastrophe reserve

(Yen in 100 millions)

	March 31, 2023		June 30, 2023			
	Balance	Reserve ratio	Reversal	Provision	Balance	Reserve ratio
		%				%
Fire and allied	1,013	38.1	133	67	948	54.7
Marine	857	112.7	-	11	869	102.4
Personal accident	835	55.0	-	14	849	47.8
Voluntary automobile	1,412	20.5	59	55	1,408	20.2
Other	2,064	67.6	27	33	2,070	66.0
Total	6,183	41.6	220	182	6,145	42.5

(Note) Reserve ratio = catastrophe reserve / net premiums written (excluding premiums of residential earthquake insurance and CALI) x 100
Reserve ratio for June 30, 2023 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, 2023	June 30, 2023	
			Change
Cash, deposits and savings	6,253	6,317	63
Investments in securities:	52,885	56,632	3,746
Domestic bonds	12,175	12,035	(139)
Domestic stocks	17,856	20,781	2,925
Foreign securities	21,662	22,568	905
Other securities	1,191	1,246	54
Loans	4,035	3,975	(60)
Land and buildings	1,868	1,855	(12)
Total	65,043	68,782	3,738

(Reference)

Long-term investment assets	8,175	8,068	(106)
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(7) Breakdown of interest and dividends income

(Yen in 100 millions)

	Three months ended June 30, 2022	Three months ended June 30, 2023	
			Change
Investments in securities:	501	503	2
Domestic bonds	34	33	(1)
Domestic stocks	289	284	(5)
Foreign securities	173	176	2
Other securities	3	9	6
Loans	5	6	0
Land and buildings	16	14	(1)
Other	1	5	4
Total	524	530	5

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

(Yen in 100 millions)

June 30, 2023	Cost	Fair value	Difference	Change from March 31, 2023
Domestic bonds	11,502	12,035	533	27
Domestic stocks	4,847	20,400	15,552	2,998
Foreign securities	6,177	7,444	1,267	427
Other securities	639	705	65	46
Total	23,166	40,585	17,418	3,498

(Yen in 100 millions)

March 31, 2023	Cost	Fair value	Difference
Domestic bonds	11,669	12,175	506
Domestic stocks	4,921	17,475	12,554
Foreign securities	5,720	6,560	839
Other securities	612	631	19
Total	22,923	36,843	13,919

(Notes) 1. The above tables describe available-for-sale securities (excluding stocks and other securities without market prices and investments in partnerships etc.).
 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, 2022 Gains/(losses)	Three months ended June 30, 2023 Gains/(losses)	Gains	Losses
Domestic bonds	(0)	0	4	3
Domestic stocks	47	132	133	0
Foreign securities	(2)	0	4	3
Other securities	-	-	-	-
Total	45	134	141	7

Impairment losses on securities

(Yen in 100 millions)

	Three months ended June 30, 2022	Three months ended June 30, 2023	Change
Domestic bonds	-	-	-
Domestic stocks	2	6	3
Foreign securities	53	3	(50)
Other securities	-	-	-
Total	56	9	(46)

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, 2022	Three months ended June 30, 2023	Change	Change ratio %
(+) Net premiums written	1	3,225	3,329	104	3.3
(-) Net claims paid	2	1,908	1,895	(13)	(0.7)
(-) Loss adjustment expenses	3	211	210	(1)	(0.7)
(-) Commissions and collection expenses	4	714	721	7	1.1
(-) Operating expenses and general and administrative expenses for underwriting	5	457	455	(2)	(0.6)
Underwriting profit/(loss) before movements in reserves	6	(66)	47	114	-
(-) Movement in outstanding claims	7	119	216	97	81.6
(-) Movement in ordinary underwriting reserves	8	3	41	38	1,125.1
(+) Other	9	149	160	11	7.6
Underwriting profit/(loss) before movement in catastrophe reserve	10	(39)	(49)	(9)	-
(-) Movement in catastrophe reserve	11	(157)	(86)	71	-
Underwriting profit	12	117	36	(81)	(68.8)
(+) Interest and dividends income	13	212	221	9	4.5
(-) Transfer of investment income on deposit premiums from policyholders	14	32	33	1	3.4
Net interest and dividends income (item 13 - item 14)	15	179	188	8	4.7
(+) Gains/(losses) on sales of securities	16	109	195	86	78.4
(-) Impairment losses on securities	17	9	2	(7)	(78.4)
(+) Other	18	(21)	(53)	(31)	-
Investment profit	19	257	327	70	27.4
(+) Other ordinary profit/(loss)	20	(14)	(18)	(4)	-
Ordinary profit	21	360	345	(15)	(4.2)
(+) Extraordinary income/(losses):	22	(55)	(27)	27	-
Gains/(losses) on reserve for price fluctuation	23	(4)	(4)	0	-
Income before income taxes	24	305	317	12	4.0
(-) Income taxes	25	65	73	7	11.6
Net income	26	239	244	4	1.9

Ratios	Net loss ratio	Note 1	27	65.7 %	63.2 %	(2.5) %	
	Net expense ratio	Note 2	28	36.3 %	35.3 %	(1.0) %	
	Combined ratio	Note 3	29	102.0 %	98.5 %	(3.5) %	

Incurred losses (including loss adjustment expenses)		Note 4, 5	30	1,992	2,092	99	5.0
EI loss ratio		Note 4, 6	31	69.6 %	70.3 %	0.7 %	

- (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)			
	Three months ended June 30, 2022		Three months ended June 30, 2023		Three months ended June 30, 2022		Three months ended June 30, 2023	
	Amount	Change ratio %	Amount	Change ratio %	Amount	Change ratio %	Amount	Change ratio %
Fire and allied	398	(1.6)	348	(12.4)	656	7.9	629	(4.1)
Marine	16	0.8	14	(8.5)	-	-	-	-
Personal accident	175	5.4	175	(0.5)	195	5.3	194	(0.3)
Voluntary automobile	1,948	1.6	2,048	5.1	1,812	0.3	1,826	0.8
CALI	305	(9.2)	323	5.7	361	(5.5)	337	(6.7)
Other	380	(3.0)	419	10.1	479	2.9	501	4.5
Total	3,225	(0.3)	3,329	3.3	3,505	1.6	3,488	(0.5)

(3) Net claims paid

(Yen in 100 millions)

	Three months ended June 30, 2022			Three months ended June 30, 2023			
	Amount	Change ratio %	Net loss ratio %	Amount	Change ratio %	Net loss ratio %	Change %
Fire and allied	407	13.1	106.7	340	(16.4)	103.6	(3.1)
Marine	28	116.7	176.7	20	(28.4)	138.5	(38.2)
Personal accident	70	11.4	46.8	74	5.3	47.3	0.5
Voluntary automobile	916	6.5	54.3	1,060	15.7	58.9	4.6
CALI	206	(4.8)	77.8	208	0.8	71.1	(6.7)
Other	278	56.5	75.9	191	(31.4)	48.6	(27.3)
Total	1,908	12.7	65.7	1,895	(0.7)	63.2	(2.5)

(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, 2022			Three months ended June 30, 2023		
	Incurred losses	Net claims paid	Outstanding claims	Incurred losses	Net claims paid	Outstanding claims
Fire and allied	69	3	66	59	4	54
Voluntary automobile	122	10	112	33	11	22
Other	0	0	0	1	0	1
Total	192	13	178	94	15	79

(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, 2022			Three months ended June 30, 2023		
		Amount	Change	Change ratio %	Amount	Change	Change ratio %
Personnel expenses	1	323	(8)	(2.4)	294	(28)	(9.0)
Non-personnel expenses	2	349	25	7.8	373	24	6.9
Taxes and contributions	3	27	(2)	(8.3)	27	(0)	(0.4)
Total	4	699	14	2.2	694	(4)	(0.7)

(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, 2022			Three months ended June 30, 2023		
		Amount	Change	Change ratio %	Amount	Change	Change ratio %
Operating expenses and general and administrative expenses	5	457	0	0.2	455	(2)	(0.6)
Commissions and collection expenses	6	714	14	2.1	721	7	1.1
Total	7	1,171	15	1.4	1,176	5	0.4
Net expense ratio	8	36.3 %	0.6		35.3 %	(1.0) %	

(5) Catastrophe reserve

(Yen in 100 millions)

	March 31, 2023		June 30, 2023			
	Balance	Reserve ratio	Reversal	Provision	Balance	Reserve ratio
		%				%
Fire and allied	832	37.1	174	54	712	51.1
Marine	83	106.9	9	0	75	128.3
Personal accident	710	117.2	0	5	715	102.2
Voluntary automobile	908	11.9	37	65	936	11.4
Other	690	48.0	5	12	698	41.7
Total	3,225	26.8	226	139	3,139	26.1

(Note) Reserve ratio = catastrophe reserve / net premiums written (excluding premiums of residential earthquake insurance and CALI) x 100
Reserve ratio for June 30, 2023 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, 2023	June 30, 2023	
			Change
Cash, deposits and savings	2,357	2,905	547
Investments in securities:	25,363	26,607	1,244
Domestic bonds	6,866	6,684	(182)
Domestic stocks	8,638	9,529	891
Foreign securities	8,856	9,400	543
Other securities	1,001	993	(7)
Loans	2,605	2,713	107
Land and buildings	1,652	1,633	(18)
Total	31,978	33,859	1,881

(Reference)

Long-term investment assets	2,576	2,514	(61)
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(7) Breakdown of interest and dividends income

(Yen in 100 millions)

	Three months ended June 30, 2022	Three months ended June 30, 2023	
			Change
Investments in securities:	194	198	4
Domestic bonds	20	20	0
Domestic stocks	124	123	(0)
Foreign securities	48	52	3
Other securities	0	2	1
Loans	5	7	1
Land and buildings	11	11	0
Other	1	4	3
Total	212	221	9

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

(Yen in 100 millions)

June 30, 2023	Cost	Fair value	Difference	Change from March 31, 2023
Domestic bonds	6,470	6,684	214	31
Domestic stocks	3,109	9,174	6,065	1,006
Foreign securities	8,182	8,401	218	254
Other securities	672	806	133	56
Total	18,434	25,066	6,631	1,348

(Yen in 100 millions)

March 31, 2023	Cost	Fair value	Difference
Domestic bonds	6,684	6,866	182
Domestic stocks	3,234	8,293	5,059
Foreign securities	7,903	7,867	(35)
Other securities	738	815	77
Total	18,559	23,843	5,283

(Note) The above tables describe available-for-sale securities (excluding stocks and other securities without market prices and investments in partnerships etc.).

Gains and losses on sales of securities

(Yen in 100 millions)

	Three months ended June 30, 2022 Gains/(losses)	Three months ended June 30, 2023 Gains/(losses)	Gains	Losses
Domestic bonds	(2)	3	9	6
Domestic stocks	108	177	177	0
Foreign securities	3	14	33	18
Other securities	-	-	-	-
Total	109	195	221	25

Impairment losses on securities

(Yen in 100 millions)

	Three months ended June 30, 2022	Three months ended June 30, 2023	Change
Domestic bonds	-	-	-
Domestic stocks	6	2	(4)
Foreign securities	3	-	(3)
Other securities	-	-	-
Total	9	2	(7)

4. Supplementary Information

(1) Supplementary Information on Consolidated Business Results

(a) Consolidated Business Results

(Yen in 100 millions)

	Three months ended June 30, 2022	Three months ended June 30, 2023	Change	Change ratio
Ordinary income and expenses:				
Underwriting income:	9,034	13,892	4,858	53.8 %
Net premiums written	10,269	11,362	1,092	10.6
Deposit premiums from policyholders	119	104	(14)	(12.1)
Life insurance premiums	(1,566)	2,144	3,710	-
Underwriting expenses:	9,238	15,695	6,457	69.9
Net claims paid	5,073	5,326	253	5.0
Loss adjustment expenses	517	569	51	10.0
Commissions and collection expenses	1,928	2,041	113	5.9
Maturity refunds to policyholders	370	324	(45)	(12.2)
Life insurance claims	869	1,270	400	46.0
Provision for outstanding claims	236	773	537	227.5
Provision for underwriting reserves	232	5,377	5,144	2,211.8
Investment income:	4,026	5,760	1,734	43.1
Interest and dividends income	1,059	1,173	113	10.7
Investment gains on money trusts	1,794	1,649	(145)	(8.1)
Investment gains on trading securities	-	145	145	-
Gains on sales of securities	310	380	70	22.9
Investment gains on separate accounts	-	1,052	1,052	-
Investment expenses:	915	483	(432)	(47.2)
Investment losses on money trusts	198	259	61	30.7
Investment losses on trading securities	45	-	(45)	(100.0)
Losses on sales of securities	140	50	(89)	(63.6)
Impairment losses on securities	74	12	(62)	(83.8)
Investment losses on separate accounts	448	-	(448)	(100.0)
Operating expenses and general and administrative expenses	1,766	1,914	148	8.4
Other ordinary income and expenses:	14	(5)	(19)	(134.5)
Gains/(losses) on equity method investments	0	40	39	4,317.5
Ordinary profit	1,155	1,554	399	34.5
Extraordinary income and losses:				
Extraordinary income	0	0	0	106.7
Extraordinary losses	82	51	(31)	(38.1)
Extraordinary income/(losses)	(82)	(50)	31	-
Income before income taxes	1,073	1,504	430	40.1
Income taxes	280	381	100	36.0
Net income	792	1,122	329	41.6
Net income attributable to non-controlling interests	11	6	(4)	(42.6)
Net income attributable to owners of the parent	781	1,116	334	42.8

(Note) Overseas consolidated subsidiaries and overseas equity method associates have applied International Financial Reporting Standards (IFRS)17 "Insurance Contracts" from the beginning of the three months ended June 30, 2023, since these entities have been already adopted IFRS. The figures for the three months ended June 30, 2022 are presented on IFRS 17 basis retrospectively.

(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, 2022			Three months ended June 30, 2023		
	Amount	Share (%)	Change ratio (%)	Amount	Share (%)	Change ratio (%)
Fire and allied	217,540	19.5	-	254,955	21.0	17.2
Marine	86,458	7.7	-	99,065	8.2	14.6
Personal accident	83,250	7.4	-	89,019	7.3	6.9
Voluntary automobile	441,951	39.6	-	453,609	37.5	2.6
CALI	68,998	6.2	-	64,091	5.3	(7.1)
Other	218,613	19.6	-	250,143	20.7	14.4
Total:	1,116,814	100.0	-	1,210,884	100.0	8.4
Deposit premiums from policyholders	11,928	1.1	-	10,479	0.9	(12.1)

Net Premiums Written by Line of Insurance

(Yen in millions)

Lines of Insurance	Three months ended June 30, 2022			Three months ended June 30, 2023		
	Amount	Share (%)	Change ratio (%)	Amount	Share (%)	Change ratio (%)
Fire and allied	156,442	15.2	-	206,376	18.2	31.9
Marine	63,670	6.2	-	75,174	6.6	18.1
Personal accident	73,306	7.1	-	77,639	6.8	5.9
Voluntary automobile	456,538	44.5	-	478,113	42.1	4.7
CALI	62,835	6.1	-	66,598	5.9	6.0
Other	214,155	20.9	-	232,332	20.4	8.5
Total	1,026,949	100.0	-	1,136,235	100.0	10.6

Net Claims Paid by Line of Insurance

(Yen in millions)

Lines of Insurance	Three months ended June 30, 2022			Three months ended June 30, 2023		
	Amount	Share (%)	Change ratio (%)	Amount	Share (%)	Change ratio (%)
Fire and allied	112,248	22.1	-	99,085	18.6	(11.7)
Marine	19,301	3.8	-	19,425	3.7	0.6
Personal accident	32,525	6.4	-	35,390	6.6	8.8
Voluntary automobile	212,545	41.9	-	240,793	45.2	13.3
CALI	45,359	9.0	-	45,459	8.5	0.2
Other	85,374	16.8	-	92,523	17.4	8.4
Total	507,355	100.0	-	532,677	100.0	5.0

(Note) 1. The figures in the above tables include elimination of intersegment transactions.

2. Overseas consolidated subsidiaries and overseas equity method associates have applied International Financial Reporting Standards (IFRS) 17 "Insurance Contracts" from the beginning of the three months ended June 30, 2023, since these entities have been already adopted IFRS. The figures for the three months ended June 30, 2022 are presented on IFRS 17 basis retrospectively.

Change ratio as of the three months ended June 30, 2022 are not available and not presented on this table.

(c) Investments in Securities

1. Trading securities

(Yen in millions)

	March 31, 2023		June 30, 2023	
	Carrying amount	Unrealized gains/(losses) included in income	Carrying amount	Unrealized gains/(losses) included in income
Trading securities	2,648,799	(146,627)	2,756,892	88,974

(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, 2023			June 30, 2023		
	Carrying amount	Fair value	Difference	Carrying amount	Fair value	Difference
Domestic Bonds	1,221,808	1,293,571	71,763	1,250,407	1,325,053	74,646
Foreign Securities	4,262	4,375	113	4,457	4,581	123
Other Securities	25,030	25,030	-	17,833	17,833	-
Total	1,251,101	1,322,977	71,876	1,272,699	1,347,468	74,769

(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, 2023			June 30, 2023		
	Carrying amount	Fair value	Difference	Carrying amount	Fair value	Difference
Domestic Bonds	1,947,747	1,656,169	(291,577)	1,959,050	1,668,910	(290,139)
Foreign Securities	313,075	301,246	(11,828)	381,482	362,927	(18,555)
Total	2,260,822	1,957,416	(303,406)	2,340,533	2,031,838	(308,695)

4. Available-for-sale securities

(Yen in millions)

Items	March 31, 2023			June 30, 2023		
	Cost	Carrying amount	Difference	Cost	Carrying amount	Difference
Domestic Bonds	2,602,649	2,658,520	55,871	2,560,169	2,623,703	63,534
Domestic Stocks	862,991	2,577,273	1,714,282	842,094	2,957,948	2,115,853
Foreign Securities	4,134,144	4,148,478	14,334	4,522,818	4,642,407	119,588
Other Securities	275,673	282,325	6,652	265,004	283,174	18,169
Total	7,875,458	9,666,599	1,791,140	8,190,087	10,507,233	2,317,146

(Notes) 1. Stocks and other securities without market prices and investments in partnerships etc. 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. The Company and its consolidated subsidiaries recognized impairment losses on Available-for-sale securities (excluding stocks and other securities without market prices and investments in partnerships etc.) as follows.
For the year ended March 31, 2023, ¥14,966 million (comprised of ¥864 million on Domestic stocks and ¥14,102 million on Foreign securities)

For the three months ended June 30, 2023, ¥817 million (comprised of ¥788 million on Domestic stocks and ¥28 million on Foreign securities)

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, 2023	June 30, 2023
(Assets)		
Cash, deposits and savings	621,815	625,421
Monetary claims bought	3,091	5,838
Money trusts	494	533
Investments in securities	5,288,584	5,663,271
Loans	403,552	397,550
Tangible fixed assets	202,456	200,421
Intangible fixed assets	84,760	81,852
Other assets	358,873	333,242
Prepaid pension expenses	19,783	21,567
Customers' liabilities under acceptances and guarantees	19,362	19,643
Bad debt reserve	(2,751)	(2,412)
Total assets	7,000,023	7,346,929
(Liabilities)		
Policy liabilities:	3,759,612	3,752,057
Outstanding claims	767,681	791,801
Underwriting reserves	2,991,931	2,960,256
Bonds issued	580,902	580,902
Other liabilities:	437,504	441,771
Income taxes payable	5,372	14,887
Lease obligations	300	154
Asset retirement obligations	4,028	4,038
Other liabilities	427,802	422,691
Reserve for pension and retirement benefits	86,191	86,815
Reserve for retirement benefits for officers	130	107
Accrued bonuses for employees	9,609	162
Reserve for stock payments	478	597
Reserves under the special laws:	31,590	32,666
Reserve for price fluctuation	31,590	32,666
Deferred tax liabilities	112,111	209,915
Acceptances and guarantees	19,362	19,643
Total liabilities	5,037,491	5,124,640
(Net assets)		
Common stock	139,595	139,595
Capital surplus	93,107	93,107
Retained earnings	709,093	716,103
Total shareholders' equity	941,796	948,806
Net unrealized gains/(losses) on investments in securities	1,006,761	1,260,934
Net deferred gains/(losses) on hedges	13,972	12,548
Total valuation and translation adjustments	1,020,734	1,273,482
Total net assets	1,962,531	2,222,289
Total liabilities and net assets	7,000,023	7,346,929

Non-Consolidated Statements of Income

(Yen in millions)

Items	Three months ended June 30, 2022	Three months ended June 30, 2023
Ordinary income:	487,473	516,540
Underwriting income:	428,363	443,059
Net premiums written	391,446	395,891
Deposit premiums from policyholders	8,578	7,596
Investment income on deposit premiums from policyholders	6,231	6,087
Reversal of underwriting reserves	19,601	31,674
Investment income:	57,881	71,737
Interest and dividends income	52,471	53,033
Investment gains on money trusts	27	39
Gains on sales of securities	5,079	14,156
Transfer of investment income on deposit premiums from policyholders	(6,231)	(6,087)
Other ordinary income	1,228	1,743
Ordinary expenses:	434,053	427,121
Underwriting expenses:	366,421	363,733
Net claims paid	216,193	214,920
Loss adjustment expenses	24,848	26,991
Commissions and collection expenses	77,560	75,387
Maturity refunds to policyholders	24,332	22,165
Provision for outstanding claims	23,338	24,119
Investment expenses:	6,325	2,067
Losses on sales of securities	578	751
Impairment losses on securities	5,618	946
Operating expenses and general and administrative expenses	60,038	60,091
Other ordinary expenses:	1,267	1,230
Interest expense	1,253	1,210
Ordinary profit	53,419	89,418
Extraordinary income	16	15
Extraordinary losses	1,477	1,442
Income before income taxes	51,959	87,991
Income taxes	9,039	18,683
Net income	42,920	69,307

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, 2023	June 30, 2023
(A) Total amount of solvency margin	3,405,349	3,815,500
Total net assets	879,498	948,806
Reserve for price fluctuation	31,590	32,666
Contingency reserve	814	936
Catastrophe reserve	620,474	616,718
General bad debt reserve	351	376
Net unrealized gains/(losses) on investments in securities and net deferred gains/(losses) on hedges (prior to tax effect deductions)	1,255,835	1,572,467
Net unrealized gains/(losses) on land	52,102	51,972
Excess of policyholders' contract deposits (a)	-	-
Subordinated debts, etc. (b)	330,902	330,902
Amount excluded from the margin, out of (a) and (b)	-	-
Deductions	3,642	3,642
Others	237,421	264,294
(B) Total amount of risks $\sqrt{(R_1 + R_2)^2 + (R_3 + R_4)^2} + R_5 + R_6$	995,234	1,092,139
General insurance risk (R_1)	148,949	149,325
Insurance risk of third sector insurance contracts (R_2)	-	-
Assumed interest rate risk (R_3)	9,848	9,543
Asset management risk (R_4)	821,033	888,336
Business administration risk (R_5)	22,175	24,100
Catastrophe risk (R_6)	128,932	157,825
(C) Solvency margin ratio [(A) / {(B) x 1/2}] x 100	684.3 %	698.7 %

(Note) The non-consolidated solvency margin ratio for June 30, 2023 is calculated by partially applying the simplified method where components are calculated based on the data used for March 31, 2023.

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

(Yen in millions)

Items	March 31, 2023	June 30, 2023
(Assets)		
Cash, deposits and savings	232,720	287,256
Money trusts	3,050	3,287
Investments in securities	2,536,311	2,660,766
Loans	260,537	271,334
Tangible fixed assets	177,201	174,645
Intangible fixed assets	75,119	75,058
Other assets	366,106	367,334
Prepaid pension expenses	27,789	28,336
Deferred tax assets	45,624	7,655
Customers' liabilities under acceptances and guarantees	10,000	10,000
Bad debt reserve	(771)	(786)
Total assets	3,733,689	3,884,888
(Liabilities)		
Policy liabilities:	2,432,837	2,443,938
Outstanding claims	632,693	654,367
Underwriting reserves	1,800,143	1,789,571
Bonds issued	50,000	50,000
Other liabilities:	392,641	438,036
Income taxes payable	3,480	6,755
Asset retirement obligations	1,168	1,187
Other liabilities	387,993	430,093
Reserve for pension and retirement benefits	42,168	42,912
Accrued bonuses for employees	6,185	338
Reserve for stock payments	446	557
Reserves under the special laws:	35,708	36,186
Reserve for price fluctuation	35,708	36,186
Acceptances and guarantees	10,000	10,000
Total liabilities	2,969,987	3,021,971
(Net assets)		
Common stock	100,005	100,005
Capital surplus	81,207	81,207
Retained earnings	199,386	200,511
Total shareholders' equity	380,599	381,724
Net unrealized gains/(losses) on investments in securities	383,101	481,191
Total valuation and translation adjustments	383,101	481,191
Total net assets	763,701	862,916
Total liabilities and net assets	3,733,689	3,884,888

Non-Consolidated Statements of Income

(Yen in millions)

Items	Three months ended June 30, 2022	Three months ended June 30, 2023
Ordinary income:	399,600	407,175
Underwriting income:	364,056	362,413
Net premiums written	322,501	332,983
Deposit premiums from policyholders	3,349	2,883
Investment income on deposit premiums from policyholders	3,265	3,377
Reversal of underwriting reserves	22,713	10,571
Investment income:	32,921	42,858
Interest and dividends income	21,223	22,187
Investment gains on money trusts	0	0
Gains on sales of securities	14,152	22,119
Transfer of investment income on deposit premiums from policyholders	(3,265)	(3,377)
Other ordinary income	2,622	1,902
Ordinary expenses:	363,503	372,604
Underwriting expenses:	308,360	315,044
Net claims paid	190,829	189,514
Loss adjustment expenses	21,161	21,016
Commissions and collection expenses	71,415	72,177
Maturity refunds to policyholders	12,678	10,331
Provision for outstanding claims	11,935	21,673
Investment expenses:	5,746	8,608
Losses on sales of securities	3,177	2,541
Impairment losses on securities	999	216
Operating expenses and general and administrative expenses	48,788	48,452
Other ordinary expenses:	608	499
Interest expense	198	100
Ordinary profit	36,096	34,571
Extraordinary income	16	26
Extraordinary losses	5,551	2,825
Income before income taxes	30,561	31,771
Income taxes	6,576	7,341
Net income	23,985	24,430

Non-Consolidated Solvency Margin Ratio

(Yen in millions)

	March 31, 2023	June 30, 2023
(A) Total amount of solvency margin	1,327,493	1,475,366
Total net assets	357,293	381,724
Reserve for price fluctuation	35,708	36,186
Contingency reserve	1,388	1,451
Catastrophe reserve	323,213	314,567
General bad debt reserve	183	183
Net unrealized gains/(losses) on investments in securities and net deferred gains/(losses) on hedges (prior to tax effect deductions)	478,111	600,565
Net unrealized gains/(losses) on land	36,294	36,989
Excess of policyholders' contract deposits (a)	-	-
Subordinated debts, etc. (b)	50,000	50,000
Amount excluded from the margin, out of (a) and (b)	-	-
Deductions	6,594	7,593
Others	51,892	61,290
(B) Total amount of risks $\sqrt{(R_1 + R_2)^2 + (R_3 + R_4)^2} + R_5 + R_6$	319,545	350,129
General insurance risk (R_1)	124,281	124,933
Insurance risk of third sector insurance contracts (R_2)	-	-
Assumed interest rate risk (R_3)	4,959	4,813
Asset management risk (R_4)	242,826	262,101
Business administration risk (R_5)	8,125	8,770
Catastrophe risk (R_6)	34,212	46,652
(C) Solvency margin ratio [(A) / {(B) x 1/2}] x 100	830.8 %	842.7 %

(Note) The non-consolidated solvency margin ratio for June 30, 2023 is calculated by partially applying the simplified method where components are calculated based on the data used for March 31, 2023.

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

Non-Consolidated Balance Sheets

(Yen in millions)

Items	March 31, 2023	June 30, 2023
(Assets)		
Cash, deposits and savings	16,341	7,015
Investments in securities	33,509	41,586
Tangible fixed assets	761	729
Intangible fixed assets	5,355	5,833
Other assets	5,104	4,693
Deferred tax assets	1,603	1,515
Bad debt reserve	(2)	(2)
Total assets	62,674	61,371
(Liabilities)		
Policy liabilities:	42,704	41,680
Outstanding claims	22,692	22,384
Underwriting reserves	20,012	19,296
Other liabilities:	2,486	2,211
Income taxes payable	93	49
Asset retirement obligations	198	198
Other liabilities	2,194	1,963
Reserve for pension and retirement benefits	432	448
Accrued bonuses for employees	332	-
Reserve for stock payments	10	12
Reserves under the special laws:	100	102
Reserve for price fluctuation	100	102
Total liabilities	46,066	44,457
(Net assets)		
Common stock	39,106	39,106
Capital surplus	9,006	9,006
Retained earnings	(31,390)	(31,136)
Total shareholders' equity	16,721	16,975
Net unrealized gains/(losses) on investments in securities	(113)	(61)
Total valuation and translation adjustments	(113)	(61)
Total net assets	16,607	16,914
Total liabilities and net assets	62,674	61,371

Non-Consolidated Statements of Income

(Yen in millions)

Items	Three months ended June 30, 2022	Three months ended June 30, 2023
Ordinary income:	9,274	9,635
Underwriting income:	9,264	9,608
Net premiums written	8,652	8,578
Investment income on deposit premiums from policyholders	5	6
Reversal of outstanding claims	176	307
Reversal of underwriting reserves	429	716
Investment income:	3	21
Interest and dividends income	8	27
Transfer of investment income on deposit premiums from policyholders	(5)	(6)
Other ordinary income	6	5
Ordinary expenses:	8,211	9,287
Underwriting expenses:	5,614	6,080
Net claims paid	4,884	5,333
Loss adjustment expenses	636	644
Commissions and collection expenses	94	102
Investment expenses	-	-
Operating expenses and general and administrative expenses	2,595	3,206
Other ordinary expenses	0	0
Ordinary profit	1,063	347
Extraordinary income	-	-
Extraordinary losses	1	2
Income before income taxes	1,061	345
Income taxes	54	91
Net income	1,007	253

Non-Consolidated Solvency Margin Ratio

(Yen in millions)

	March 31, 2023	June 30, 2023
(A) Total amount of solvency margin	17,853	17,407
Total net assets	16,721	16,975
Reserve for price fluctuation	100	102
Contingency reserve	0	0
Catastrophe reserve	1,143	389
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)	(113)	(61)
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 $\sqrt{(R_1 + R_2)^2 + (R_3 + R_4)^2} + R_5 + R_6$	5,060	5,097
General insurance risk (R_1)	4,485	4,456
Insurance risk of third sector insurance contracts (R_2)	-	-
Assumed interest rate risk (R_3)	0	0
Asset management risk (R_4)	964	1,132
Business administration risk (R_5)	172	177
Catastrophe risk (R_6)	300	321
(C) Solvency margin ratio $[(A) / \{(B) \times 1/2\}] \times 100$	705.5 %	683.0 %

(Note) The non-consolidated solvency margin ratio for June 30, 2023 is calculated by partially applying the simplified method where components are calculated based on the data used for March 31, 2023.

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

(Yen in millions)

Items	March 31, 2023	June 30, 2023
(Assets)		
Cash, deposits and savings	416,761	303,349
Investments in securities	4,422,873	4,597,887
Loans	60,780	60,359
Tangible fixed assets	7,157	6,669
Intangible fixed assets	25,388	24,837
Due from agencies	1,424	1,426
Reinsurance accounts receivable	1,221	295
Other assets	42,344	46,901
Deferred tax assets	31,316	27,085
Bad debt reserve	(89)	(87)
Total assets	5,009,178	5,068,725
(Liabilities)		
Policy liabilities:	4,362,853	4,390,094
Outstanding claims	40,386	39,986
Underwriting reserves	4,311,933	4,339,544
Reserve for dividends to policyholders	10,532	10,563
Due to agencies	2,989	2,752
Reinsurance accounts payable	362	284
Other liabilities:	499,428	519,209
Payables under repurchase agreements	204,822	218,818
Payables under securities lending transactions	269,048	276,465
Income taxes payable	1,024	2,744
Lease obligations	151	130
Asset retirement obligations	408	409
Other liabilities	23,973	20,641
Reserve for pension and retirement benefits	4,990	5,092
Reserve for retirement benefits for officers	3	3
Reserve for stock payments	63	78
Reserves under the special laws:	12,413	12,771
Reserve for price fluctuation	12,413	12,771
Total liabilities	4,883,105	4,930,285
(Net assets)		
Common stock	85,500	85,500
Capital surplus	19,955	19,955
Retained earnings	41,913	43,401
Total shareholders' equity	147,368	148,856
Net unrealized gains/(losses) on investments in securities	(21,295)	(10,417)
Total valuation and translation adjustments	(21,295)	(10,417)
Total net assets	126,073	138,439
Total liabilities and net assets	5,009,178	5,068,725

Non-Consolidated Statements of Income

(Yen in millions)

Items	Three months ended June 30, 2022	Three months ended June 30, 2023
Ordinary income:	136,258	130,104
Insurance premiums and others:	117,401	113,815
Insurance premiums	117,134	113,719
Investment income:	14,912	14,972
Interest and dividends income	13,419	13,996
Gains on sales of securities	1,477	357
Other ordinary income:	3,944	1,317
Reversal of outstanding claims	3,124	400
Ordinary expenses:	127,509	118,860
Insurance claims and others:	63,651	67,489
Insurance claims	13,563	12,818
Annuity payments	5,195	5,194
Benefits	11,928	9,597
Surrender benefits	31,574	37,755
Other refunds	909	1,181
Provision for underwriting reserves and others:	40,504	27,610
Provision for underwriting reserves	40,504	27,610
Provision for interest portion of reserve for dividends to policyholders	0	0
Investment expenses:	354	724
Losses on derivative transactions	353	724
Operating expenses	18,048	18,217
Other ordinary expenses	4,951	4,818
Ordinary profit	8,748	11,244
Extraordinary income	0	0
Extraordinary losses	363	358
Provision for reserve for dividends to policyholders	886	1,041
Income before income taxes	7,499	9,844
Income taxes	2,101	2,779
Net income	5,397	7,064

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

(1) Policies in force

(Yen in 100 millions)

	March 31, 2023		June 30, 2023	
	Number of policies (in thousands)	Amount	Number of policies (in thousands)	Amount
Individual insurance	3,878	226,521	3,877	224,574
Individual annuities	153	5,977	152	5,919
Group insurance	-	98,467	-	98,112
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)

	Three months ended June 30, 2022				Three months ended June 30, 2023			
	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	46	3,372	3,372	-	47	3,095	3,095	-
Individual annuities	0	8	8	-	0	5	5	-
Group insurance	-	235	235	-	-	1,062	1,062	-
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, 2023	June 30, 2023
Individual insurance	4,035	4,019
Individual annuities	369	364
Total:	4,405	4,384
Medical coverage, living benefits, etc.	1,575	1,583

(2) New policies

(Yen in 100 millions)

	Three months ended June 30, 2022	Three months ended June 30, 2023
Individual insurance	56	57
Individual annuities	0	0
Total:	57	58
Medical coverage, living benefits, etc.	27	30

(Notes) 1. An annualized premium is the annual total of premiums that is obtained by multiplying the amount of a single payment by 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, 2022	Three months ended June 30, 2023	Change
Fundamental revenues:	134,766	129,731	(5,034)
Insurance premiums and others	117,401	113,815	(3,585)
Fundamental expenses	127,276	119,977	(7,298)
Fundamental profit	7,490	9,754	2,263
Capital gains/(losses)	1,403	1,303	(100)
Non-recurring gains/(losses)	(144)	186	331
Ordinary profit	8,748	11,244	2,495
Extraordinary income	0	0	(0)
Extraordinary losses	363	358	(5)
Provision for reserve for dividends to policyholders	886	1,041	155
Income taxes	2,101	2,779	677
Net income	5,397	7,064	1,667

(Note) Since the three-month period ended June 30, 2023, calculation of hedge costs on foreign exchange has been changed. As a result, fundamental profit decreased by ¥345 million and capital gains/(losses) increased by the same amount for the three-month period ended June 30, 2023, compared to those before the change.

Also, the amounts for the three-month period ended June 30, 2022 were restated accordingly. As a result, fundamental profit decreased by ¥124 million and capital gains/(losses) increased by the same amount, compared to those before the change.

Non-Consolidated Solvency Margin Ratio

(Yen in millions)

	March 31, 2023	June 30, 2023
(A) Total amount of solvency margin	338,880	361,449
Total capital	141,791	147,765
Reserve for price fluctuation	12,413	12,771
Contingency reserve	40,478	40,292
General bad debt reserve	4	3
Net unrealized gains/(losses) on investments in securities and net deferred gains/(losses) on hedges (prior to tax effect deductions) x 90% (100% if losses)	(29,576)	(14,468)
Net unrealized gains/(losses) on land x 85%	-	-
Excess of continued Zillmerized reserve (a)	161,884	161,147
Subordinated debts, etc. (b)	-	-
Amount excluded from the margin, out of (a) and (b)	-	-
Brought in capital	-	-
Deductions	-	-
Others	11,884	13,937
(B) Total amount of risks $\sqrt{(R_1 + R_8)^2 + (R_2 + R_3 + R_7)^2} + R_4$	69,474	76,302
Insurance risk (R_1)	18,163	18,022
Insurance risk of third sector insurance contracts (R_8)	18,227	18,187
Assumed interest rate risk (R_2)	3,274	3,274
Minimum guarantee risk (R_7)	-	-
Asset management risk (R_3)	53,702	61,582
Business administration risk (R_4)	1,867	2,021
(C) Solvency margin ratio [(A) / {(B) x 1/2}] x 100	975.5 %	947.4 %

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

Non-Consolidated Balance Sheets

(Yen in millions)

Items	March 31, 2023	June 30, 2023
(Assets)		
Cash, deposits and savings	764,633	738,760
Monetary claims bought	74,996	69,996
Money trusts	2,078,352	2,195,927
Investments in securities	3,451,044	3,699,195
Loans	261,512	283,521
Tangible fixed assets	1,051	982
Intangible fixed assets	11,570	11,133
Reinsurance accounts receivable	29,533	33,376
Other assets	37,419	54,185
Deferred tax assets	113,623	120,387
Bad debt reserve	(4)	(3)
Total assets	6,823,733	7,207,462
(Liabilities)		
Policy liabilities:	6,375,196	6,777,907
Outstanding claims	22,996	25,004
Underwriting reserves	6,352,199	6,752,902
Due to agencies	5,847	4,482
Reinsurance accounts payable	22,051	11,553
Other liabilities:	72,286	74,736
Income taxes payable	8	702
Lease obligations	942	660
Asset retirement obligations	185	185
Other liabilities	71,149	73,187
Reserve for stock payments	11	14
Reserves under the special laws:	198,184	199,316
Reserve for price fluctuation	198,184	199,316
Total liabilities	6,673,577	7,068,010
(Net assets)		
Common stock	41,060	41,060
Capital surplus	24,735	24,735
Retained earnings	180,820	187,508
Total shareholders' equity	246,615	253,303
Net unrealized gains/(losses) on investments in securities	(73,053)	(71,431)
Net deferred gains/(losses) on hedges	(23,405)	(42,419)
Total valuation and translation adjustments	(96,459)	(113,851)
Total net assets	150,156	139,452
Total liabilities and net assets	6,823,733	7,207,462

Non-Consolidated Statements of Income

(Yen in millions)

Items	Three months ended June 30, 2022	Three months ended June 30, 2023
Ordinary income:	686,730	704,006
Insurance premiums and others:	309,427	300,618
Insurance premiums	255,701	281,184
Investment income:	258,827	402,141
Interest and dividends income	17,093	26,970
Investment gains on money trusts	159,598	138,912
Investment gains on trading securities	109	47
Gains on sales of securities	5,744	1,311
Foreign exchange gains	75,888	129,406
Investment gains on separate accounts	-	105,295
Other ordinary income:	118,475	1,247
Reversal of outstanding claims	6,142	-
Reversal of underwriting reserves	110,943	-
Ordinary expenses:	681,247	683,033
Insurance claims and others:	610,066	260,807
Insurance claims	38,234	41,193
Annuity payments	19,345	19,216
Benefits	51,588	55,434
Surrender benefits	426,538	58,768
Other refunds	1,421	1,351
Reinsurance premiums	72,937	84,844
Provision for underwriting reserves and others:	-	402,711
Provision for outstanding claims	-	2,008
Provision for underwriting reserves	-	400,703
Investment expenses:	53,597	330
Interest expense	7	7
Losses on sales of securities	8,760	322
Investment losses on separate accounts	44,828	-
Operating expenses	13,975	14,976
Other ordinary expenses	3,608	4,206
Ordinary profit	5,483	20,973
Extraordinary income	-	-
Extraordinary losses	985	1,131
Income before income taxes	4,498	19,841
Income taxes	1,209	5,523
Net income	3,289	14,318

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

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

	March 31, 2023		June 30, 2023	
	Number of policies (in thousands)	Amount	Number of policies (in thousands)	Amount
Individual insurance	674	46,553	690	49,879
Individual annuities	372	22,768	383	24,557
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, 2022				Three months ended June 30, 2023			
	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	33	2,262	2,262	-	29	1,958	1,958	-
Individual annuities	5	366	366	-	16	1,064	1,064	-
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, 2023	June 30, 2023
Individual insurance	4,632	4,980
Individual annuities	2,618	2,755
Total:	7,250	7,736
Medical coverage, living benefits, etc.	7	7

(2) New policies (Yen in 100 millions)

	Three months ended June 30, 2022	Three months ended June 30, 2023
Individual insurance	189	155
Individual annuities	46	126
Total:	236	281
Medical coverage, living benefits, etc.	0	0

(Notes) 1. An annualized premium is the annual total of premiums that is obtained by multiplying the amount of a single payment by 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, 2022	Three months ended June 30, 2023	Change
Fundamental revenues:	717,996	723,707	5,711
Insurance premiums and others	309,427	300,618	(8,808)
Fundamental expenses	684,930	682,863	(2,066)
Fundamental profit	33,065	40,843	7,778
Capital gains/(losses)	(27,722)	(12,504)	15,218
Non-recurring gains/(losses)	140	(7,366)	(7,506)
Ordinary profit	5,483	20,973	15,489
Extraordinary income	-	-	-
Extraordinary losses	985	1,131	146
Provision for reserve for dividends to policyholders	-	-	-
Income taxes	1,209	5,523	4,314
Net income	3,289	14,318	11,029

Non-Consolidated Solvency Margin Ratio

(Yen in millions)

	March 31, 2023	June 30, 2023
(A) Total amount of solvency margin	683,942	723,391
Total capital	238,985	253,303
Reserve for price fluctuation	198,184	199,316
Contingency reserve	86,766	94,133
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% (100% in case of negative value)	(122,474)	(128,353)
Net unrealized gains/(losses) on land x 85%	-	-
Excess of continued Zillmerized reserve (a)	221,476	238,420
Subordinated debts, etc. (b)	-	-
Amount excluded from the margin, out of (a) and (b)	-	-
Brought in capital	-	-
Deductions	-	-
Others	61,003	66,571
(B) Total amount of risks $\sqrt{(R_1 + R_8)^2 + (R_2 + R_3 + R_7)^2} + R_4$	152,103	171,060
Insurance risk (R ₁)	1,423	1,647
Insurance risk of third sector insurance contracts (R ₈)	3	3
Assumed interest rate risk (R ₂)	38,168	43,923
Minimum guarantee risk (R ₇)	1,016	1,230
Asset management risk (R ₃)	109,901	122,511
Business administration risk (R ₄)	3,010	3,386
(C) Solvency margin ratio [(A) / {(B) x 1/2}] x 100	899.3 %	845.7 %