

[Attachment]

# Explanatory Material for Business Results for the Six Months Ended September 30, 2014

November 19, 2014

MS&AD Insurance Group Holdings, Inc.

UNOFFICIAL TRANSLATION

This document is an unofficial English translation of the Japanese original.

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# 1. Summary of Consolidated Business Results

## (1) Consolidated Business Performance

(Yen in 100 millions)

	Items	Six months ended September 30, 2013	Six months ended September 30, 2014	Change	Change ratio
<b>Ordinary income and expenses:</b>					
<b>Underwriting income:</b>	1	<b>17,339</b>	<b>21,257</b>	<b>3,917</b>	<b>22.6 %</b>
Net premiums written	2	14,241	14,863	621	4.4
Deposit premiums from policyholders	3	775	738	(37)	(4.8)
Life insurance premiums	4	1,827	4,968	3,141	171.9
Reversal of outstanding claims	5	196	342	146	74.4
<b>Underwriting expenses:</b>	6	<b>15,856</b>	<b>19,842</b>	<b>3,986</b>	<b>25.1</b>
Net claims paid	7	8,215	8,274	58	0.7
Loss adjustment expenses	8	694	746	52	7.5
Commissions and collection expenses	9	2,740	2,994	253	9.3
Maturity refunds to policyholders	10	1,579	1,458	(121)	(7.7)
Life insurance claims	11	1,758	1,600	(157)	(9.0)
Provision for underwriting reserves	12	822	4,742	3,920	476.7
<b>Investment income:</b>	13	<b>3,314</b>	<b>3,083</b>	<b>(231)</b>	<b>(7.0)</b>
Interest and dividends income	14	1,087	1,222	134	12.4
Investment gains on money trusts	15	47	426	379	804.3
Gains on sales of securities	16	404	212	(192)	(47.6)
Investment gains on separate accounts	17	1,978	1,454	(523)	(26.5)
<b>Investment expenses:</b>	18	<b>472</b>	<b>137</b>	<b>(335)</b>	<b>(70.9)</b>
Investment losses on money trusts	19	360	3	(357)	(98.9)
Losses on sales of securities	20	20	44	24	118.1
Impairment losses on securities	21	39	39	0	0.2
<b>Operating expenses and general and administrative expenses</b>	22	<b>2,599</b>	<b>2,803</b>	<b>204</b>	<b>7.9</b>
<b>Other ordinary income and expenses:</b>	23	<b>(95)</b>	<b>23</b>	<b>118</b>	<b>-</b>
Gains/(losses) on equity method investments	24	(22)	8	31	-
<b>Ordinary profit/(loss)</b>	25	<b>1,630</b>	<b>1,580</b>	<b>(50)</b>	<b>(3.1)</b>
<b>Extraordinary income and losses:</b>					
<b>Extraordinary income</b>	26	<b>6</b>	<b>30</b>	<b>23</b>	<b>346.1</b>
<b>Extraordinary losses</b>	27	<b>52</b>	<b>61</b>	<b>9</b>	<b>17.4</b>
<b>Extraordinary income/(losses)</b>	28	<b>(45)</b>	<b>(31)</b>	<b>14</b>	<b>-</b>
<b>Income/(loss) before income taxes and minority interests</b>	29	<b>1,585</b>	<b>1,548</b>	<b>(36)</b>	<b>(2.3)</b>
<b>Income taxes - current</b>	30	<b>141</b>	<b>133</b>	<b>(7)</b>	<b>(5.6)</b>
<b>Income taxes - deferred</b>	31	<b>334</b>	<b>307</b>	<b>(27)</b>	<b>(8.1)</b>
<b>Total income taxes</b>	32	<b>475</b>	<b>440</b>	<b>(34)</b>	<b>(7.4)</b>
<b>Income/(loss) before minority interests</b>	33	<b>1,109</b>	<b>1,108</b>	<b>(1)</b>	<b>(0.1)</b>
<b>Minority interests</b>	34	<b>14</b>	<b>12</b>	<b>(2)</b>	<b>(14.7)</b>
<b>Net income/(loss)</b>	35	<b>1,095</b>	<b>1,096</b>	<b>1</b>	<b>0.1</b>

(Note) The figures in the above table are presented exclusive of Good Result Return premiums of Mitsui Sumitomo Insurance's proprietary automobile insurance product "ModoRich", which contains a special clause related to premium adjustment and refund at maturity.

## (2) Breakdown of Results by Company (Net Premiums Written, Ordinary Profit and Net Income)

(Yen in 100 millions)

	Items	Six months ended September 30, 2013	Six months ended September 30, 2014	Change	Change ratio
Net premiums written <small>Note 1</small>	1	14,241	14,863	621	4.4 %
Mitsui Sumitomo Insurance <small>Note 1</small>	2	7,007	7,291	284	4.1
Aioi Nissay Dowa Insurance	3	5,775	5,836	61	1.1
Mitsui Direct General Insurance	4	175	171	(3)	(2.1)
Overseas insurance subsidiaries	5	1,265	1,534	269	21.3
Ordinary profit/(loss)	6	1,630	1,580	(50)	(3.1)
Mitsui Sumitomo Insurance	7	873	712	(161)	(18.4)
Aioi Nissay Dowa Insurance	8	400	573	172	43.1
Net income/(loss)	9	1,095	1,096	1	0.1
Mitsui Sumitomo Insurance	10	603	505	(98)	(16.3)
Aioi Nissay Dowa Insurance	11	283	465	182	64.3
Mitsui Direct General Insurance	12	5	(5)	(11)	(198.2)
Mitsui Sumitomo Aioi Life Insurance	13	32	34	1	4.3
Mitsui Sumitomo Primary Life Insurance	14	145	81	(63)	(43.6)
Overseas insurance subsidiaries	15	170	170	(0)	(0.3)
Others	16	9	16	6	71.8
Consolidation adjustments and holding company	17	(155)	(171)	(16)	-

(Notes) 1. The figures in the above table are presented exclusive of Good Result Return premiums of Mitsui Sumitomo Insurance's proprietary automobile insurance product "ModoRich", which contains a special clause related to premium adjustment and refund at maturity.

2. Items 10 to 16 represent the net income or loss on a non-consolidated basis with taking into account the Company's ownership interests in its subsidiaries.

## (3) Breakdown of Results of Overseas Insurance Subsidiaries by Region

(Yen in 100 millions)

	Items	Six months ended September 30, 2013	Six months ended September 30, 2014	Change	Change ratio
Net premiums written	1	1,265	1,534	269	21.3 %
Asia	2	604	740	136	22.5
Europe	3	353	447	93	26.5
Americas	4	183	210	26	14.3
Reinsurance	5	123	137	13	11.1
Net income/(loss)	6	170	170	(0)	(0.3)
Asia	7	72	96	24	33.7
Europe	8	34	25	(8)	(24.7)
Americas	9	9	5	(4)	(40.9)
Reinsurance	10	54	41	(12)	(22.6)

#### (4) Summary of Results of Domestic Life Insurance Business

(Yen in 100 millions)

	Items	Six months ended September 30, 2013	Six months ended September 30, 2014	Change	Change ratio	Year ended March 31, 2014
Amount of new policies						
Mitsui Sumitomo Aioi Life Insurance	1	13,738	12,675	(1,063)	(7.7) %	26,722
Mitsui Sumitomo Primary Life Insurance	2	3,022	4,846	1,823	60.3 %	8,005
Amount of policies in force						
Mitsui Sumitomo Aioi Life Insurance	3	206,182	215,341	4,290	2.0 %	211,050
Mitsui Sumitomo Primary Life Insurance	4	36,634	43,660	3,416	8.5 %	40,243
Annualized premiums for policies in force						
Mitsui Sumitomo Aioi Life Insurance	5	3,250	3,436	101	3.0 %	3,335
Mitsui Sumitomo Primary Life Insurance	6	4,184	4,694	151	3.3 %	4,543

(Notes) 1. The figures in the above table represent the total sum of individual insurance and individual annuities.

2. “Change” and “Change ratio” make comparisons with the six months ended September 30, 2013 for items 1 and 2 and the year ended March 31, 2014 for items 3 to 6.

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

The figures in the tables below are presented exclusive of Good Result Return premiums of Mitsui Sumitomo Insurance's proprietary automobile insurance product "ModoRich", which contains a special clause related to premium adjustment and refund at maturity.

### (1) Business Performance

(Yen in 100 millions)

	Items	Six months ended September 30, 2013	Six months ended September 30, 2014	Change	Change ratio
					%
(+) Net premiums written	1	7,007	7,291	284	4.1
(-) Net claims paid	2	4,086	4,059	(26)	(0.7)
(-) Loss adjustment expenses	3	391	421	29	7.5
(-) Commissions and collection expenses	4	1,213	1,280	66	5.5
(-) Operating expenses and general and administrative expenses for underwriting	5	969	1,015	45	4.7
Underwriting profit/(loss) before movements in reserves	6	345	514	169	49.2
(-) Movement in outstanding claims	7	(183)	(166)	16	-
(-) Movement in ordinary underwriting reserves	8	258	368	110	42.7
(-) Movement in catastrophe reserve	9	(32)	91	123	-
(+) Other	10	8	63	55	652.4
Underwriting profit/(loss)	11	310	285	(25)	(8.1)
(+) Interest and dividends income	12	601	565	(36)	(6.0)
(-) Transfer of investment income on deposit premiums from policyholders	13	207	197	(9)	(4.8)
Net interest and dividends income (item 12 - item 13)	14	394	368	(26)	(6.6)
(+) Gains/(losses) on sales of securities	15	263	95	(167)	(63.6)
(-) Impairment losses on securities	16	10	36	25	239.0
(+) Other	17	17	16	(1)	(8.1)
Investment profit/(loss)	18	664	443	(221)	(33.2)
(+) Other ordinary profit/(loss)	19	(101)	(16)	85	-
Ordinary profit/(loss)	20	873	712	(161)	(18.4)
(+) Extraordinary income/(losses):	21	(28)	(2)	26	-
Gains/(losses) on reserve for price fluctuation	22	(12)	(13)	(0)	-
Income/(loss) before income taxes	23	845	710	(134)	(15.9)
(-) Income taxes	24	241	205	(35)	(14.9)
Net income/(loss)	25	603	505	(98)	(16.3)

Ratios	Net loss ratio	26	63.9 %	61.5 %	(2.4) %	
	Net expense ratio	27	31.2 %	31.5 %	0.3 %	
	Combined ratio	28	95.1 %	93.0 %	(2.1) %	

Incurred losses (item 2 + item 7)	29	3,903	3,893	(10)	(0.3)
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- (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

### (Reference) Business performance excluding residential earthquake insurance and CALI\*

	Net premiums written	30	6,157	6,381	223	3.6
Ratios	Net loss ratio	31	60.7 %	58.6 %	(2.1) %	
	Net expense ratio	32	33.0 %	33.6 %	0.6 %	
	Combined ratio	33	93.7 %	92.2 %	(1.5) %	

\* CALI stands for compulsory automobile liability insurance, and the same hereinafter.

## (2) Premiums written

(Yen in 100 millions)

	Net premiums written				Direct premiums written (excluding deposit premiums from policyholders)			
	Six months ended September 30, 2013		Six months ended September 30, 2014		Six months ended September 30, 2013		Six months ended September 30, 2014	
	Amount	Change ratio %	Amount	Change ratio %	Amount	Change ratio %	Amount	Change ratio %
Fire and allied	1,053	14.6	1,069	1.5	1,346	8.6	1,391	3.4
Marine	289	6.9	319	10.2	392	10.6	426	8.6
Personal accident	759	1.0	783	3.2	797	1.3	821	3.0
Voluntary automobile	3,047	2.9	3,139	3.0	3,057	2.9	3,144	2.8
CALI	845	6.4	906	7.3	851	11.5	837	(1.6)
Other	1,011	3.4	1,072	6.0	1,101	6.7	1,195	8.6
Total	7,007	5.0	7,291	4.1	7,547	5.6	7,817	3.6

## (3) Net claims paid

(Yen in 100 millions)

	Six months ended September 30, 2013			Six months ended September 30, 2014			
	Amount	Change ratio %	Net loss ratio %	Amount	Change ratio %	Net loss ratio %	Change %
Fire and allied	719	(29.7)	70.5	823	14.4	79.2	8.7
Marine	173	32.8	63.0	148	(14.3)	49.4	(13.6)
Personal accident	398	5.3	58.5	393	(1.1)	55.9	(2.6)
Voluntary automobile	1,696	(5.1)	62.9	1,607	(5.3)	59.2	(3.7)
CALI	672	(2.0)	87.4	674	0.3	81.6	(5.8)
Other	425	(3.8)	44.8	411	(3.4)	41.0	(3.8)
Total	4,086	(8.2)	63.9	4,059	(0.7)	61.5	(2.4)

(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)

	Six months ended September 30, 2013			Six months ended September 30, 2014		
	Incurred losses	Net claims paid	Movement in outstanding claims	Incurred losses	Net claims paid	Movement in outstanding claims
Fire and allied	114	18	95	72	26	45
Voluntary automobile	15	8	7	11	8	3
Other	9	1	8	12	1	10
Total	139	28	110	96	36	60

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

Net claims paid caused by heavy snowfall disaster in February, 2014 is ¥34.9 billion (¥31.9 billion in Fire and allied, ¥2.0 billion in Voluntary automobile and ¥0.9 billion in Other) for the six months ended September 30, 2014.

## (Reference) Incurred losses caused by flooding in Thailand

(Yen in 100 millions)

	Six months ended September 30, 2013			Six months ended September 30, 2014		
	Incurred losses	Net claims paid	Movement in outstanding claims	Incurred losses	Net claims paid	Movement in outstanding claims
Incurred losses	(139)	216	(355)	0	28	(28)

(Note) Incurred losses include influence of exchange rate fluctuations.

## (4) Expenses

&lt;Company expenses&gt;

(Yen in 100 millions)

	Items	Six months ended September 30, 2013			Six months ended September 30, 2014		
		Amount	Change	Change ratio %	Amount	Change	Change ratio %
Personnel expenses	1	790	(1)	(0.2)	844	53	6.8
Non-personnel expenses	2	545	8	1.7	575	29	5.5
Taxes and contributions	3	71	6	10.7	62	(8)	(12.3)
Total	4	1,407	13	1.0	1,482	75	5.3

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

&lt;Expenses for underwriting&gt;

(Yen in 100 millions)

	Items	Six months ended September 30, 2013			Six months ended September 30, 2014		
		Amount	Change	Change ratio %	Amount	Change	Change ratio %
Operating expenses and general and administrative expenses	5	969	3	0.4	1,015	45	4.7
Commissions and collection expenses	6	1,213	56	4.9	1,280	66	5.5
Total	7	2,183	60	2.8	2,295	111	5.1
Net expense ratio	8	31.2 %	(0.6) %		31.5 %	0.3 %	

**(5) Outstanding claims**

(Yen in 100 millions)

	September 30, 2013		September 30, 2014	
	Balance	Movement	Balance	Movement
Fire and allied	1,287	(267)	1,096	(252)
Marine	276	4	269	(34)
Personal accident	565	5	546	(12)
Voluntary automobile	2,496	9	2,652	27
CALI	514	7	513	(4)
Other	1,114	57	1,277	109
Total	6,255	(183)	6,356	(166)

**(6) Incurred losses and earned-incurred loss ratio**

(Yen in 100 millions)

	Six months ended September 30, 2013		Six months ended September 30, 2014			
	Incurred losses	Earned-incurred loss ratio	Incurred losses	Change	Earned-incurred loss ratio	Change
		%			%	%
Fire and allied	475	49.5	594	119	60.1	10.6
Marine	186	64.9	122	(63)	40.8	(24.1)
Personal accident	450	65.1	426	(23)	59.5	(5.6)
Voluntary automobile	1,926	64.1	1,884	(41)	60.6	(3.5)
Other	510	57.3	549	38	58.5	1.2
Total	3,548	60.8	3,578	29	59.1	(1.7)

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

The calculation is exclusive of residential earthquake insurance and CALI.

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

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

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

**(7) Underwriting reserves**

(Yen in 100 millions)

		September 30, 2014				
		Total underwriting reserves	Ordinary underwriting reserves	Reserve for refunds and dividends to policyholders	Catastrophe reserve	Contingency reserve
Fire and allied	Balance	8,829	5,880	2,023	924	0
	Movement	(19)	97	(37)	(80)	0
Marine	Balance	936	227	-	708	-
	Movement	18	3	-	14	-
Personal accident	Balance	14,261	1,184	12,432	642	1
	Movement	(174)	67	(263)	21	0
Voluntary automobile	Balance	2,277	1,916	87	273	0
	Movement	99	28	(7)	78	0
CALI	Balance	2,160	2,160	-	-	-
	Movement	52	52	-	-	-
Other	Balance	4,614	2,469	618	1,527	0
	Movement	170	118	(5)	57	0
Total	Balance	33,079	13,838	15,161	4,076	2
	Movement	146	368	(314)	91	1

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



**(8) Catastrophe reserve**

(Yen in 100 millions)

	March 31, 2014		September 30, 2014			
	Balance	Reserve ratio	Reversal	Provision	Balance	Reserve ratio
		%				%
Fire and allied	1,005	47.5	176	96	924	43.4
Marine	693	122.3	-	14	708	111.0
Personal accident	621	43.0	3	24	642	41.0
Voluntary automobile	194	3.2	22	100	273	4.4
Other	1,470	77.8	3	60	1,527	71.2
Total	3,985	32.9	205	296	4,076	31.9

(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  
The calculation for the reserve ratio as of September 30, 2014 has been made using twice the net premiums written for the six months ended September 30, 2014 as a denominator.

**(9) Investment assets**

(Yen in 100 millions)

	March 31, 2014	September 30, 2014	
			Change
Cash, deposits and savings	3,387	3,809	422
Investments in securities:	45,026	47,576	2,550
Domestic bonds	18,734	19,449	714
Stock	18,097	19,587	1,490
Foreign securities	8,033	8,346	312
Other securities	160	193	32
Loans	5,382	5,144	(237)
Land and buildings	2,239	2,211	(27)
Total	56,035	58,742	2,707

(Reference)

Long-term investment assets	15,356	15,051	(305)
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**(Reference) Breakdown of domestic bonds**

(Yen in 100 millions)

	March 31, 2014	September 30, 2014	
			Change
Government bonds	11,883	13,125	1,241
Municipal bonds	971	963	(8)
Corporate bonds:	5,879	5,360	(518)
Government agency bonds	1,689	1,529	(160)
Specific financial institution bonds	-	-	-
Other corporate bonds	4,189	3,830	(358)
Total	18,734	19,449	714

**(10) Breakdown of interest and dividends income**

(Yen in 100 millions)

	Six months ended September 30, 2013	Six months ended September 30, 2014	
			Change
Investments in securities:	510	489	(21)
Domestic bonds	125	114	(11)
Stock	184	230	46
Foreign securities	176	133	(43)
Other securities	24	10	(14)
Loans	43	39	(4)
Land and buildings	32	26	(5)
Other	14	11	(3)
Total	601	565	(36)

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

(Yen in 100 millions)

September 30, 2014	Cost	Fair value	Difference	Change from March 31, 2014
Domestic bonds	18,447	19,449	1,002	146
Stock	6,827	18,968	12,141	1,559
Foreign securities	3,342	3,573	230	51
Other securities	1,069	1,115	46	2
Total	29,685	43,106	13,420	1,760

(Yen in 100 millions)

March 31, 2014	Cost	Fair value	Difference
Domestic bonds	17,879	18,734	855
Stock	6,894	17,475	10,581
Foreign securities	3,043	3,222	179
Other securities	767	810	43
Total	28,584	40,244	11,659

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

2. "Other securities" includes certificates of deposits included in Cash, deposits and savings and 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)

	Six months ended September 30, 2013 Gains/(losses)	Six months ended September 30, 2014 Gains/(losses)	Gains	Losses
Domestic bonds	28	2	2	0
Stock	229	82	82	0
Foreign securities	5	11	11	0
Other securities	(0)	-	-	-
Total	263	95	96	0

**Impairment losses on securities**

(Yen in 100 millions)

	Six months ended September 30, 2013	Six months ended September 30, 2014	Change
Domestic bonds	-	-	-
Stock	6	0	(6)
Foreign securities	4	36	32
Other securities	-	0	0
Total	10	36	25

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

#### (1) Business Performance

(Yen in 100 millions)

	Items	Six months ended September 30, 2013	Six months ended September 30, 2014	Change	Change ratio %
(+) Net premiums written	1	5,775	5,836	61	1.1
(-) Net claims paid	2	3,375	3,428	53	1.6
(-) Loss adjustment expenses	3	254	269	15	6.2
(-) Commissions and collection expenses	4	1,031	1,083	51	5.0
(-) Operating expenses and general and administrative expenses for underwriting	5	918	954	36	3.9
Underwriting profit/(loss) before movements in reserves	6	196	101	(95)	(48.5)
(-) Movement in outstanding claims	7	94	(185)	(279)	(297.5)
(-) Movement in ordinary underwriting reserves	8	48	65	16	33.5
(-) Movement in catastrophe reserve	9	(35)	(123)	(87)	-
(+) Other	10	19	47	28	144.8
Underwriting profit/(loss)	11	108	392	284	262.9
(+) Interest and dividends income	12	346	288	(57)	(16.7)
(-) Transfer of investment income on deposit premiums from policyholders	13	97	93	(4)	(4.3)
Net interest and dividends income (item 12 - item 13)	14	249	195	(53)	(21.5)
(+) Gains/(losses) on sales of securities	15	98	20	(77)	(78.8)
(-) Impairment losses on securities	16	31	8	(22)	(71.9)
(+) Other	17	(40)	(38)	1	-
Investment profit/(loss)	18	276	169	(106)	(38.7)
(+) Other ordinary profit/(loss)	19	16	11	(4)	(29.1)
Ordinary profit/(loss)	20	400	573	172	43.1
(+) Extraordinary income/(losses):	21	(6)	76	83	-
Gains/(losses) on reserve for price fluctuation	22	(8)	(7)	0	-
Income/(loss) before income taxes	23	393	649	255	65.0
(-) Income taxes	24	110	184	73	66.7
Net income/(loss)	25	283	465	182	64.3

Ratios	Net loss ratio	26	62.8 %	63.4 %	0.6 %	
	Net expense ratio	27	33.8 %	34.9 %	1.1 %	
	Combined ratio	28	96.6 %	98.3 %	1.7 %	

Incurred losses (item 2 + item 7)	29	3,469	3,242	(226)	(6.5)
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- (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. Extraordinary income/(loss) for the six months ended September 30, 2014 includes an income of ¥10.0 billion received in return for transfer of new policies of the third sector long term contracts to Mitsui Sumitomo Aioi Life Insurance Co., Ltd.

#### (Reference) Business performance excluding residential earthquake insurance and CALI

	Net premiums written	30	4,967	4,986	19	0.4
Ratios	Net loss ratio	31	59.3 %	60.6 %	1.3 %	
	Net expense ratio	32	35.6 %	37.2 %	1.6 %	
	Combined ratio	33	94.9 %	97.8 %	2.9 %	

**(2) Premiums written**

(Yen in 100 millions)

	Net premiums written				Direct premiums written (excluding deposit premiums from policyholders)			
	Six months ended September 30, 2013		Six months ended September 30, 2014		Six months ended September 30, 2013		Six months ended September 30, 2014	
	Amount	Change ratio %	Amount	Change ratio %	Amount	Change ratio %	Amount	Change ratio %
Fire and allied	672	11.3	661	(1.6)	980	10.4	996	1.7
Marine	56	18.0	51	(9.0)	49	3.5	37	(23.7)
Personal accident	381	0.8	368	(3.5)	398	0.7	382	(3.9)
Voluntary automobile	3,318	2.5	3,337	0.6	3,231	2.1	3,238	0.2
CALI	804	4.0	847	5.3	910	9.9	896	(1.6)
Other	541	4.4	569	5.2	654	(3.7)	655	0.1
Total	5,775	3.9	5,836	1.1	6,224	3.7	6,206	(0.3)

**(3) Net claims paid**

(Yen in 100 millions)

	Six months ended September 30, 2013			Six months ended September 30, 2014			
	Amount	Change ratio %	Net loss ratio %	Amount	Change ratio %	Net loss ratio %	Change %
Fire and allied	379	(29.2)	58.6	532	40.5	83.3	24.7
Marine	33	41.3	61.0	24	(26.5)	51.0	(10.0)
Personal accident	170	(4.3)	47.6	162	(4.6)	48.0	0.4
Voluntary automobile	1,899	(3.5)	62.0	1,816	(4.4)	59.3	(2.7)
CALI	629	(2.7)	84.7	622	(1.2)	79.6	(5.1)
Other	263	(13.7)	51.5	269	2.6	51.0	(0.5)
Total	3,375	(7.7)	62.8	3,428	1.6	63.4	0.6

(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)

	Six months ended September 30, 2013			Six months ended September 30, 2014		
	Incurred losses	Net claims paid	Movement in outstanding claims	Incurred losses	Net claims paid	Movement in outstanding claims
Fire and allied	74	14	60	41	15	26
Voluntary automobile	14	8	5	9	6	2
Other	2	0	2	3	0	3
Total	91	22	68	54	22	32

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

Net claims paid caused by heavy snowfall disaster in February, 2014 is ¥23.8 billion (¥21.1 billion in Fire and allied, ¥2.2 billion in Voluntary automobile and ¥0.4 billion in Other) for the six months ended September 30, 2014.

**(Reference) Incurred losses caused by flooding in Thailand**

(Yen in 100 millions)

	Six months ended September 30, 2013			Six months ended September 30, 2014		
	Incurred losses	Net claims paid	Movement in outstanding claims	Incurred losses	Net claims paid	Movement in outstanding claims
Incurred losses	(17)	25	(43)	(0)	0	(1)

(Note) Incurred losses include influence of exchange rate fluctuations.

**(4) Expenses**

&lt;Company expenses&gt;

(Yen in 100 millions)

	Items	Six months ended September 30, 2013			Six months ended September 30, 2014		
		Amount	Change	Change ratio %	Amount	Change	Change ratio %
Personnel expenses	1	604	4	0.7	585	(19)	(3.3)
Non-personnel expenses	2	542	25	5.0	619	77	14.2
Taxes and contributions	3	58	2	4.3	56	(2)	(3.8)
Total	4	1,205	32	2.8	1,261	55	4.6

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

&lt;Expenses for underwriting&gt;

(Yen in 100 millions)

	Items	Six months ended September 30, 2013			Six months ended September 30, 2014		
		Amount	Change	Change ratio %	Amount	Change	Change ratio %
Operating expenses and general and administrative expenses	5	918	35	4.0	954	36	3.9
Commissions and collection expenses	6	1,031	44	4.5	1,083	51	5.0
Total	7	1,949	80	4.3	2,037	87	4.5
Net expense ratio	8	33.8 %	0.2 %		34.9 %	1.1 %	

**(5) Outstanding claims**

(Yen in 100 millions)

	September 30, 2013		September 30, 2014	
	Balance	Movement	Balance	Movement
Fire and allied	505	12	472	(182)
Marine	36	(4)	38	0
Personal accident	281	2	265	(10)
Voluntary automobile	2,848	33	2,979	(2)
CALI	483	3	475	(7)
Other	671	45	688	17
Total	4,826	94	4,918	(185)

**(6) Incurred losses and earned-incurred loss ratio**

(Yen in 100 millions)

	Six months ended September 30, 2013		Six months ended September 30, 2014			
	Incurred losses	Earned-incurred loss ratio	Incurred losses	Change	Earned-incurred loss ratio	Change
		%			%	%
Fire and allied	407	57.0	368	(38)	49.9	(7.1)
Marine	29	58.6	26	(3)	49.6	(9.0)
Personal accident	184	54.6	165	(18)	49.5	(5.1)
Voluntary automobile	2,092	64.3	1,975	(116)	60.0	(4.3)
Other	324	64.5	308	(16)	58.2	(6.3)
Total	3,038	62.5	2,845	(192)	57.4	(5.1)

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

The calculation is exclusive of residential earthquake insurance and CALI.

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

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

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

**(7) Underwriting reserves**

(Yen in 100 millions)

		September 30, 2014				
		Total underwriting reserves	Ordinary underwriting reserves	Reserve for refunds and dividends to policyholders	Catastrophe reserve	Contingency reserve
Fire and allied	Balance	6,690	4,776	991	919	3
	Movement	(262)	(77)	(59)	(126)	0
Marine	Balance	181	40	-	140	-
	Movement	1	(0)	-	2	-
Personal accident	Balance	5,657	709	4,342	601	4
	Movement	(84)	34	(130)	11	0
Voluntary automobile	Balance	2,138	1,941	19	177	0
	Movement	7	38	3	(34)	0
CALI	Balance	2,242	2,242	-	-	-
	Movement	28	28	-	-	-
Other	Balance	1,945	1,246	169	529	0
	Movement	64	41	(0)	23	0
Total	Balance	18,855	10,956	5,523	2,368	7
	Movement	(244)	65	(186)	(123)	0

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

**(8) Catastrophe reserve**

(Yen in 100 millions)

	March 31, 2014		September 30, 2014			
	Balance	Reserve ratio	Reversal	Provision	Balance	Reserve ratio
		%				%
Fire and allied	1,045	77.3	179	53	919	69.7
Marine	138	123.3	-	2	140	137.6
Personal accident	589	81.1	-	11	601	81.6
Voluntary automobile	212	3.2	142	107	177	2.7
Other	505	49.7	5	29	529	46.4
Total	2,491	25.4	327	203	2,368	23.7

(Note) Reserve ratio = catastrophe reserve / net premiums written (excluding premiums of residential earthquake insurance and CALI) x 100  
The calculation for the reserve ratio as of September 30, 2014 has been made using twice the net premiums written for the six months ended September 30, 2014 as a denominator.

**(9) Investment assets**

(Yen in 100 millions)

	March 31, 2014	September 30, 2014	
			Change
Cash, deposits and savings	1,057	1,449	392
Investments in securities:	23,654	23,980	326
Domestic bonds	9,696	9,384	(311)
Stock	7,122	7,666	544
Foreign securities	6,441	6,517	75
Other securities	394	412	17
Loans	2,200	2,173	(26)
Land and buildings	1,721	1,683	(37)
Total	28,632	29,287	654

(Reference)

Long-term investment assets	5,692	5,503	(189)
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**(Reference) Breakdown of domestic bonds**

(Yen in 100 millions)

	March 31, 2014	September 30, 2014	
			Change
Government bonds	6,920	6,809	(111)
Municipal bonds	283	276	(7)
Corporate bonds:	2,492	2,299	(193)
Government agency bonds	453	396	(56)
Specific financial institution bonds	259	286	26
Other corporate bonds	1,778	1,615	(163)
Total	9,696	9,384	(311)

**(10) Breakdown of interest and dividends income**

(Yen in 100 millions)

	Six months ended September 30, 2013	Six months ended September 30, 2014	
			Change
Investments in securities:	302	246	(55)
Domestic bonds	51	52	0
Stock	102	90	(11)
Foreign securities	138	93	(45)
Other securities	9	10	1
Loans	18	16	(1)
Land and buildings	23	22	(0)
Other	2	2	0
Total	346	288	(57)

# (11) Investments in securities

## Unrealized gains and losses on investments in securities

(Yen in 100 millions)

September 30, 2014	Cost	Fair value	Difference	Change from March 31, 2014
Domestic bonds	8,961	9,384	422	74
Stock	4,310	7,392	3,082	603
Foreign securities	5,477	6,010	533	223
Other securities	276	336	60	19
Total	19,025	23,124	4,098	921

(Yen in 100 millions)

March 31, 2014	Cost	Fair value	Difference
Domestic bonds	9,347	9,696	348
Stock	4,369	6,847	2,478
Foreign securities	5,662	5,972	309
Other securities	248	289	41
Total	19,628	22,805	3,177

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

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

## Gains and losses on sales of securities

(Yen in 100 millions)

	Six months ended September 30, 2013 Gains/(losses)	Six months ended September 30, 2014 Gains/(losses)	Gains	Losses
Domestic bonds	11	0	0	0
Stock	63	46	47	1
Foreign securities	22	(26)	20	46
Other securities	-	(0)	-	0
Total	98	20	68	47

## Impairment losses on securities

(Yen in 100 millions)

	Six months ended September 30, 2013	Six months ended September 30, 2014	Change
Domestic bonds	-	-	-
Stock	25	7	(17)
Foreign securities	5	1	(4)
Other securities	-	-	-
Total	31	8	(22)

## 4. Earnings Forecasts

### (1) MS&AD Insurance Group Holdings, Inc. (Consolidated)

(Yen in 100 millions)

	Items	Forecasts for year ending March 31, 2015	Change from previous year
Net premiums written <sup>(Note)</sup> :	1	29,350	4.5 %
Net premiums written at overseas non-life insurance subsidiaries	2	2,940	22.2 %
Ordinary profit	3	2,300	397
Net income	4	1,200	265
Annual total of dividends per share	5	58.00 yen	2.00 yen

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

(Yen in 100 millions)

	Items	Forecasts for year ending March 31, 2015	Change from previous year
Net premiums written <sup>(Note)</sup>	6	14,420	4.2 %
Ordinary profit	7	1,300	280
Net income	8	780	199

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

(Yen in 100 millions)

	Items	Forecasts for year ending March 31, 2015	Change from previous year
Net premiums written	9	11,560	1.0 %
Ordinary profit	10	530	251
Net income	11	390	258

(Note) The figures in the above tables are presented exclusive of Good Result Return premiums of Mitsui Sumitomo Insurance's proprietary automobile insurance product "ModoRich", which contains a special clause related to premium adjustment and refund at maturity.



(Breakdown of earnings forecasts)

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

(Yen in 100 millions)

	Results for year ended March 31, 2014	Forecasts for year ending March 31, 2015
Direct premiums written (excluding deposit premiums from policyholders)	14,929	15,554
Change ratio	5.3 %	4.2 %
Net premiums written	13,845	14,420
Change ratio	5.3 %	4.2 %
Net loss ratio	65.1 %	63.8 %
Net expense ratio	32.0 %	32.1 %
Combined ratio	97.1 %	95.9 %
Underwriting profit/(loss)	(73)	60
Net interest and dividends income	709	670
Ordinary profit/(loss)	1,019	1,300
Net income/(loss)	580	780

(Reference) Excluding residential earthquake insurance and CALI

	Results for year ended March 31, 2014	Forecasts for year ending March 31, 2015
Change ratio of net premiums written	4.7 %	4.3 %
Net loss ratio	62.2 %	61.1 %
Net expense ratio	34.1 %	34.2 %
Combined ratio	96.3 %	95.3 %

Forecasts by line of insurance for the year ending March 31, 2015

(Yen in 100 millions)

	Net premiums written		Net loss ratio	
		Change ratio		Change
Fire and allied	2,217	4.4 %	72.3 %	1.4 %
Marine	633	11.6 %	50.4 %	(9.2) %
Personal accident	1,486	2.7 %	59.1 %	(1.3) %
Voluntary automobile	6,266	3.0 %	62.2 %	(1.3) %
CALI	1,791	3.2 %	83.2 %	(2.2) %
Other	2,027	7.2 %	49.6 %	(0.6) %
Total	14,420	4.2 %	63.8 %	(1.3) %

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

(Yen in 100 millions)

	Results for year ended March 31, 2014	Forecasts for year ending March 31, 2015
Direct premiums written (excluding deposit premiums from policyholders)	12,327	12,404
Change ratio	2.8 %	0.6 %
Net premiums written	11,446	11,560
Change ratio	3.8 %	1.0 %
Net loss ratio	65.0 %	65.4 %
Net expense ratio	34.5 %	35.4 %
Combined ratio	99.5 %	100.8 %
Underwriting profit/(loss)	(288)	180
Net interest and dividends income	459	345
Ordinary profit/(loss)	278	530
Net income/(loss)	131	390

(Reference) Excluding residential earthquake insurance and CALI

	Results for year ended March 31, 2014	Forecasts for year ending March 31, 2015
Change ratio of net premiums written	3.2 %	0.9 %
Net loss ratio	62.0 %	62.8 %
Net expense ratio	36.5 %	37.6 %
Combined ratio	98.5 %	100.4 %

Forecasts by line of insurance for the year ending March 31, 2015

(Yen in 100 millions)

	Net premiums written		Net loss ratio	
		Change ratio		Change
Fire and allied	1,361	0.3 %	74.4 %	9.6 %
Marine	74	(34.1) %	58.1 %	5.7 %
Personal accident	711	(2.1) %	48.9 %	(1.4) %
Voluntary automobile	6,702	1.7 %	62.2 %	(1.0) %
CALI	1,666	1.4 %	81.6 %	(1.4) %
Other	1,046	2.8 %	60.6 %	1.3 %
Total	11,560	1.0 %	65.4 %	0.4 %

[Supplementary Information]

1. Supplementary Information on Consolidated Business Results

(1) 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	Six months ended September 30, 2013			Six months ended September 30, 2014		
	Amount	Share (%)	Change ratio (%)	Amount	Share (%)	Change ratio (%)
Fire and allied	294,586	18.0	9.6	302,190	17.9	2.6
Marine	62,171	3.8	10.4	66,888	4.0	7.6
Personal accident	181,788	11.1	(2.0)	181,634	10.7	(0.1)
Voluntary automobile	693,168	42.4	4.0	712,240	42.2	2.8
CALI	176,225	10.8	10.7	173,377	10.3	(1.6)
Other	226,666	13.9	9.0	251,215	14.9	10.8
<b>Total:</b>	<b>1,634,607</b>	<b>100.0</b>	<b>5.8</b>	<b>1,687,545</b>	<b>100.0</b>	<b>3.2</b>
Deposit premiums from policyholders	77,593	4.7	(8.0)	73,856	4.4	(4.8)

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

Voluntary Automobile	692,353		3.8	713,046		3.0
<b>Total</b>	<b>1,633,792</b>		<b>5.8</b>	<b>1,688,351</b>		<b>3.3</b>

Net Premiums Written by Line of Insurance

(Yen in millions)

Lines of Insurance	Six months ended September 30, 2013			Six months ended September 30, 2014		
	Amount	Share (%)	Change ratio (%)	Amount	Share (%)	Change ratio (%)
Fire and allied	201,220	14.1	14.7	206,487	13.9	2.6
Marine	50,357	3.5	12.6	53,874	3.6	7.0
Personal accident	119,492	8.4	2.0	121,216	8.2	1.4
Voluntary automobile	699,813	49.1	4.2	720,486	48.5	3.0
CALI	165,253	11.6	5.2	175,708	11.8	6.3
Other	188,825	13.3	8.6	207,734	14.0	10.0
<b>Total</b>	<b>1,424,962</b>	<b>100.0</b>	<b>6.4</b>	<b>1,485,508</b>	<b>100.0</b>	<b>4.2</b>

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

Voluntary automobile	698,997		4.0	721,292		3.2
<b>Total</b>	<b>1,424,147</b>		<b>6.2</b>	<b>1,486,313</b>		<b>4.4</b>

Net Claims Paid by Line of Insurance

(Yen in millions)

Lines of Insurance	Six months ended September 30, 2013			Six months ended September 30, 2014		
	Amount	Share (%)	Change ratio (%)	Amount	Share (%)	Change ratio (%)
Fire and allied	120,349	14.6	(28.0)	147,075	17.8	22.2
Marine	26,609	3.2	29.4	23,420	2.8	(12.0)
Personal accident	58,438	7.1	2.7	57,404	6.9	(1.8)
Voluntary automobile	397,337	48.4	(2.8)	383,726	46.4	(3.4)
CALI	130,476	15.9	(2.4)	129,977	15.7	(0.4)
Other	88,342	10.8	1.6	85,831	10.4	(2.8)
<b>Total</b>	<b>821,554</b>	<b>100.0</b>	<b>(6.0)</b>	<b>827,436</b>	<b>100.0</b>	<b>0.7</b>

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

## (2) Available-for-Sale Securities

(Yen in millions)

Items		March 31, 2014			September 30, 2014		
		Carrying amount	Cost	Difference	Carrying amount	Cost	Difference
Securities whose carrying amount exceeds the cost	Domestic Bonds	4,144,556	3,949,379	195,176	4,328,687	4,098,978	229,708
	Stock	2,325,305	1,089,956	1,235,348	2,560,125	1,110,653	1,449,472
	Foreign Securities	1,006,666	911,825	94,840	1,248,779	1,124,266	124,513
	Other Securities	81,726	74,417	7,308	78,024	68,244	9,780
	Sub Total	7,558,254	6,025,579	1,532,674	8,215,617	6,402,142	1,813,474
Securities whose carrying amount does not exceed the cost	Domestic Bonds	284,416	285,225	(809)	156,278	156,446	(167)
	Stock	108,035	119,899	(11,863)	77,006	85,399	(8,392)
	Foreign Securities	471,499	481,210	(9,711)	383,313	388,476	(5,162)
	Other Securities	33,231	33,246	(14)	72,824	72,840	(16)
	Sub Total	897,183	919,582	(22,399)	689,422	703,162	(13,740)
Total		8,455,437	6,945,161	1,510,275	8,905,040	7,105,305	1,799,734

March 31, 2014	September 30, 2014
1. Available-for-sale securities without practically determinable fair value are not included in the above table.	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.	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 of ¥1,094 million on Available-for-sale securities with practically determinable fair value (comprised of ¥918 million on Stock and ¥176 million on Foreign securities) and ¥2,150 million on Available-for-sale securities without practically determinable fair value (comprised of ¥1,811 million on Stock and ¥339 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.	3. The Company and its consolidated subsidiaries recognized impairment losses of ¥628 million on Available-for-sale securities with practically determinable fair value (comprised of ¥56 million on Stock, ¥571 million on Foreign securities and ¥0 million on Other securities) and ¥3,301 million on Available-for-sale securities without practically determinable fair value (comprised of ¥43 million on Stock and ¥3,257 million on Foreign securities). In principle, the Company and its domestic consolidated subsidiaries recognize impairment losses on securities with practically determinable fair value if the fair value declines by 30% or more from the cost.

## 2. Summary of Business Results of Main Consolidated Subsidiaries

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

#### Non-Consolidated Balance Sheets

(Yen in millions)

Items	March 31, 2014	September 30, 2014
(Assets)		
Cash, deposits and savings	188,728	169,207
Call loans	50,000	43,000
Receivables under resale agreements	23,997	51,991
Monetary claims bought	65,781	105,950
Money trusts	10,371	10,935
Investments in securities	4,502,619	4,757,662
Loans	538,224	514,451
Tangible fixed assets	238,938	233,231
Intangible fixed assets	40,101	35,453
Other assets	406,584	388,927
Customers' liabilities under acceptances and guarantees	49,094	47,047
Bad debt reserve	(16,423)	(14,637)
<b>Total assets</b>	<b>6,098,017</b>	<b>6,343,222</b>
(Liabilities)		
<b>Policy liabilities:</b>	<b>3,945,530</b>	<b>3,943,575</b>
Outstanding claims	652,310	635,670
Underwriting reserves	3,293,219	3,307,905
<b>Bonds issued</b>	<b>176,185</b>	<b>176,187</b>
<b>Other liabilities:</b>	<b>344,318</b>	<b>356,492</b>
Income taxes payable	4,890	4,850
Lease obligations	1,706	1,432
Asset retirement obligations	4,634	3,710
Other liabilities	333,087	346,499
<b>Reserve for pension and retirement benefits</b>	<b>139,895</b>	<b>141,559</b>
<b>Reserve for retirement benefits for officers</b>	<b>1,070</b>	<b>991</b>
<b>Accrued bonuses for employees</b>	<b>11,249</b>	<b>8,168</b>
<b>Reserves under the special laws:</b>	<b>19,731</b>	<b>21,053</b>
Reserve for price fluctuation	19,731	21,053
<b>Deferred tax liabilities</b>	<b>101,331</b>	<b>174,939</b>
<b>Acceptances and guarantees</b>	<b>49,094</b>	<b>47,047</b>
<b>Total liabilities</b>	<b>4,788,409</b>	<b>4,870,014</b>
(Net assets)		
<b>Common stock</b>	<b>139,595</b>	<b>139,595</b>
<b>Capital surplus</b>	<b>93,107</b>	<b>93,107</b>
<b>Retained earnings</b>	<b>240,357</b>	<b>274,682</b>
<b>Total shareholders' equity</b>	<b>473,061</b>	<b>507,385</b>
<b>Net unrealized gains/(losses) on investments in securities</b>	<b>813,116</b>	<b>937,323</b>
<b>Net deferred gains/(losses) on hedges</b>	<b>23,430</b>	<b>28,497</b>
<b>Total valuation and translation adjustments</b>	<b>836,547</b>	<b>965,821</b>
<b>Total net assets</b>	<b>1,309,608</b>	<b>1,473,207</b>
<b>Total liabilities and net assets</b>	<b>6,098,017</b>	<b>6,343,222</b>

**Non-Consolidated Statements of Income**

(Yen in millions)

Items	Six months ended September 30, 2013	Six months ended September 30, 2014
<b>Ordinary income:</b>	<b>891,899</b>	<b>880,786</b>
<b>Underwriting income:</b>	<b>816,308</b>	<b>825,258</b>
Net premiums written	701,528	728,321
Deposit premiums from policyholders	58,709	56,771
Investment income on deposit premiums from policyholders	20,769	19,776
Reversal of outstanding claims	18,320	16,640
Reversal of underwriting reserves	16,912	-
<b>Investment income:</b>	<b>74,095</b>	<b>52,962</b>
Interest and dividends income	60,194	56,584
Investment gains on money trusts	308	568
Gains on sales of securities	26,807	9,614
Gains on derivative transactions	6,101	1,677
Transfer of investment income on deposit premiums from policyholders	(20,769)	(19,776)
<b>Other ordinary income</b>	<b>1,495</b>	<b>2,565</b>
<b>Ordinary expenses:</b>	<b>804,534</b>	<b>809,531</b>
<b>Underwriting expenses:</b>	<b>688,753</b>	<b>695,302</b>
Net claims paid	408,634	405,952
Loss adjustment expenses	39,188	42,126
Commissions and collection expenses	121,369	128,014
Maturity refunds to policyholders	117,131	103,923
Provision for underwriting reserves	-	14,685
<b>Investment expenses:</b>	<b>3,996</b>	<b>4,991</b>
Losses on sales of securities	459	23
Impairment losses on securities	1,080	3,664
<b>Operating expenses and general and administrative expenses</b>	<b>101,545</b>	<b>106,128</b>
<b>Other ordinary expenses:</b>	<b>10,238</b>	<b>3,109</b>
Interest expense	3,521	2,948
<b>Ordinary profit</b>	<b>87,365</b>	<b>71,254</b>
<b>Extraordinary income</b>	<b>223</b>	<b>3,704</b>
<b>Extraordinary losses</b>	<b>3,087</b>	<b>3,915</b>
<b>Income before income taxes</b>	<b>84,501</b>	<b>71,043</b>
<b>Income taxes - current</b>	<b>1,122</b>	<b>2,263</b>
<b>Income taxes - deferred</b>	<b>22,985</b>	<b>18,256</b>
<b>Total income taxes</b>	<b>24,107</b>	<b>20,520</b>
<b>Net income</b>	<b>60,394</b>	<b>50,523</b>

## 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, 2014	September 30, 2014
(A) Total amount of solvency margin	2,120,694	2,341,158
Total net assets	456,862	488,786
Reserve for price fluctuation	19,731	21,053
Contingency reserve	175	295
Catastrophe reserve	410,755	420,213
General bad debt reserve	1,420	1,364
Net unrealized gains/(losses) on investments in securities (prior to tax effect deductions)	1,054,940	1,215,569
Net unrealized gains/(losses) on land	31,656	34,366
Excess of policyholders' contract deposits (a)	-	-
Subordinated debts, etc. (b)	106,191	106,191
Amount excluded from the margin, out of (a) and (b)	-	-
Deductions	43,155	43,150
Others	82,117	96,469
(B) Total amount of risks $\sqrt{(R_1 + R_2)^2 + (R_3 + R_4)^2} + R_5 + R_6$	706,497	755,267
General insurance risk ( $R_1$ )	113,474	114,142
Insurance risk of third sector insurance contracts ( $R_2$ )	-	-
Assumed interest rate risk ( $R_3$ )	19,248	19,070
Asset management risk ( $R_4$ )	527,293	559,865
Business administration risk ( $R_5$ )	15,849	16,828
Catastrophe risk ( $R_6$ )	132,450	148,358
(C) Solvency margin ratio $[(A) / \{(B) \times 1/2\}] \times 100$	600.3 %	619.9 %

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

**Non-Consolidated Balance Sheets**

(Yen in millions)

Items	March 31, 2014	September 30, 2014
(Assets)		
Cash, deposits and savings	81,958	127,300
Call loans	21,000	15,000
Monetary claims bought	477	273
Money trusts	2,310	2,444
Investments in securities	2,365,453	2,398,078
Loans	220,015	217,350
Tangible fixed assets	183,620	180,573
Intangible fixed assets	33,390	31,450
Other assets	222,050	246,307
Prepaid pension expenses	43,472	44,280
Deferred tax assets	78,076	32,723
Customers' liabilities under acceptances and guarantees	7,500	9,500
Bad debt reserve	(2,146)	(2,097)
<b>Total assets</b>	<b>3,257,180</b>	<b>3,303,185</b>
(Liabilities)		
<b>Policy liabilities:</b>	<b>2,420,418</b>	<b>2,377,414</b>
Outstanding claims	510,416	491,837
Underwriting reserves	1,910,002	1,885,576
<b>Bonds issued</b>	<b>50,000</b>	<b>50,000</b>
<b>Other liabilities:</b>	<b>153,051</b>	<b>138,582</b>
Income taxes payable	2,790	2,990
Lease obligations	328	273
Asset retirement obligations	558	560
Other liabilities	149,374	134,758
<b>Reserve for pension and retirement benefits</b>	<b>13,775</b>	<b>15,556</b>
<b>Accrued bonuses for employees</b>	<b>5,962</b>	<b>5,288</b>
<b>Reserve for Reorganization by Function</b>	<b>3,040</b>	<b>1,578</b>
<b>Reserves under the special laws:</b>	<b>3,239</b>	<b>4,030</b>
Reserve for price fluctuation	3,239	4,030
<b>Acceptances and guarantees</b>	<b>7,500</b>	<b>9,500</b>
<b>Total liabilities</b>	<b>2,656,987</b>	<b>2,601,951</b>
(Net assets)		
<b>Common stock</b>	<b>100,005</b>	<b>100,005</b>
<b>Capital surplus</b>	<b>81,210</b>	<b>81,210</b>
<b>Retained earnings</b>	<b>197,397</b>	<b>234,885</b>
<b>Total shareholders' equity</b>	<b>378,612</b>	<b>416,100</b>
<b>Net unrealized gains/(losses) on investments in securities</b>	<b>221,580</b>	<b>285,133</b>
<b>Total valuation and translation adjustments</b>	<b>221,580</b>	<b>285,133</b>
<b>Total net assets</b>	<b>600,192</b>	<b>701,234</b>
<b>Total liabilities and net assets</b>	<b>3,257,180</b>	<b>3,303,185</b>

**Non-Consolidated Statements of Income**

(Yen in millions)

Items	Six months ended September 30, 2013	Six months ended September 30, 2014
<b>Ordinary income:</b>	<b>658,398</b>	<b>684,949</b>
<b>Underwriting income:</b>	<b>621,099</b>	<b>656,226</b>
Net premiums written	577,516	583,687
Deposit premiums from policyholders	18,883	17,084
Investment income on deposit premiums from policyholders	9,735	9,315
Reversal of outstanding claims	-	18,578
Reversal of underwriting reserves	13,777	24,425
<b>Investment income:</b>	<b>35,716</b>	<b>26,641</b>
Interest and dividends income	34,659	28,883
Investment gains on money trusts	0	0
Gains on sales of securities	10,645	6,837
Transfer of investment income on deposit premiums from policyholders	(9,735)	(9,315)
<b>Other ordinary income</b>	<b>1,581</b>	<b>2,081</b>
<b>Ordinary expenses:</b>	<b>618,326</b>	<b>627,588</b>
<b>Underwriting expenses:</b>	<b>517,295</b>	<b>521,020</b>
Net claims paid	337,513	342,825
Loss adjustment expenses	25,418	26,993
Commissions and collection expenses	103,155	108,336
Maturity refunds to policyholders	40,864	41,965
Provision for outstanding claims	9,408	-
<b>Investment expenses:</b>	<b>5,339</b>	<b>6,878</b>
Losses on sales of securities	786	4,743
Impairment losses on securities	3,120	877
Losses on derivative transactions	77	934
<b>Operating expenses and general and administrative expenses</b>	<b>95,157</b>	<b>99,107</b>
<b>Other ordinary expenses:</b>	<b>534</b>	<b>582</b>
Interest expense	376	376
<b>Ordinary profit</b>	<b>40,071</b>	<b>57,361</b>
<b>Extraordinary income</b>	<b>533</b>	<b>10,070</b>
<b>Extraordinary losses</b>	<b>1,214</b>	<b>2,440</b>
<b>Income before income taxes</b>	<b>39,390</b>	<b>64,990</b>
<b>Income taxes - current</b>	<b>757</b>	<b>1,117</b>
<b>Income taxes - deferred</b>	<b>10,281</b>	<b>17,285</b>
<b>Total income taxes</b>	<b>11,039</b>	<b>18,402</b>
<b>Net income</b>	<b>28,351</b>	<b>46,588</b>



**Non-Consolidated Solvency Margin Ratio**

(Yen in millions)

	March 31, 2014	September 30, 2014
(A) Total amount of solvency margin	1,027,044	1,154,532
Total net assets	369,512	406,801
Reserve for price fluctuation	3,239	4,030
Contingency reserve	747	791
Catastrophe reserve	257,490	245,403
General bad debt reserve	418	454
Net unrealized gains/(losses) on investments in securities (prior to tax effect deductions)	287,683	370,142
Net unrealized gains/(losses) on land	2,038	4,576
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	9,952	9,950
Others	65,866	82,283
(B) Total amount of risks $\sqrt{(R_1 + R_2)^2 + (R_3 + R_4)^2} + R_5 + R_6$	272,396	291,335
General insurance risk ( $R_1$ )	101,281	101,513
Insurance risk of third sector insurance contracts ( $R_2$ )	-	-
Assumed interest rate risk ( $R_3$ )	9,911	9,675
Asset management risk ( $R_4$ )	179,721	192,417
Business administration risk ( $R_5$ )	6,829	7,231
Catastrophe risk ( $R_6$ )	50,581	57,948
(C) Solvency margin ratio $[(A) / \{(B) \times 1/2\}] \times 100$	754.0 %	792.5 %

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

**Non-Consolidated Balance Sheets**

(Yen in millions)

Items	March 31, 2014	September 30, 2014
(Assets)		
<b>Cash, deposits and savings</b>	<b>3,319</b>	<b>3,080</b>
<b>Investments in securities</b>	<b>35,104</b>	<b>36,010</b>
<b>Tangible fixed assets</b>	<b>212</b>	<b>177</b>
<b>Intangible fixed assets</b>	<b>2,073</b>	<b>2,000</b>
<b>Other assets</b>	<b>5,878</b>	<b>5,077</b>
<b>Bad debt reserve</b>	<b>(3)</b>	<b>(2)</b>
<b>Total assets</b>	<b>46,584</b>	<b>46,345</b>
(Liabilities)		
<b>Policy liabilities:</b>	<b>34,079</b>	<b>34,813</b>
Outstanding claims	14,582	16,398
Underwriting reserves	19,497	18,415
<b>Other liabilities:</b>	<b>988</b>	<b>853</b>
Income taxes payable	99	99
Asset retirement obligations	12	12
Other liabilities	876	740
<b>Accrued bonuses for employees</b>	<b>214</b>	<b>150</b>
<b>Reserves under the special laws:</b>	<b>34</b>	<b>37</b>
Reserve for price fluctuation	34	37
<b>Deferred tax liabilities</b>	<b>44</b>	<b>58</b>
<b>Total liabilities</b>	<b>35,360</b>	<b>35,913</b>
(Net assets)		
<b>Common stock</b>	<b>32,600</b>	<b>32,600</b>
<b>Capital surplus</b>	<b>2,500</b>	<b>2,500</b>
<b>Retained earnings</b>	<b>(24,054)</b>	<b>(24,799)</b>
<b>Total shareholders' equity</b>	<b>11,045</b>	<b>10,300</b>
<b>Net unrealized gains/(losses) on investments in securities</b>	<b>178</b>	<b>131</b>
<b>Total valuation and translation adjustments</b>	<b>178</b>	<b>131</b>
<b>Total net assets</b>	<b>11,223</b>	<b>10,432</b>
<b>Total liabilities and net assets</b>	<b>46,584</b>	<b>46,345</b>

**Non-Consolidated Statements of Income**

(Yen in millions)

Items	Six months ended September 30, 2013	Six months ended September 30, 2014
<b>Ordinary income:</b>	<b>18,406</b>	<b>18,301</b>
<b>Underwriting income:</b>	<b>18,335</b>	<b>18,233</b>
Net premiums written	17,513	17,143
Investment income on deposit premiums from policyholders	7	8
Reversal of underwriting reserves	814	1,081
<b>Investment income:</b>	<b>66</b>	<b>62</b>
Interest and dividends income	74	71
Transfer of investment income on deposit premiums from policyholders	(7)	(8)
<b>Other ordinary income</b>	<b>3</b>	<b>4</b>
<b>Ordinary expenses:</b>	<b>17,619</b>	<b>18,997</b>
<b>Underwriting expenses:</b>	<b>13,967</b>	<b>15,245</b>
Net claims paid	12,151	12,029
Loss adjustment expenses	1,203	1,309
Commissions and collection expenses	97	90
Provision for outstanding claims	514	1,815
<b>Investment expenses</b>	<b>-</b>	<b>-</b>
<b>Operating expenses and general and administrative expenses</b>	<b>3,650</b>	<b>3,751</b>
<b>Other ordinary expenses</b>	<b>1</b>	<b>1</b>
<b>Ordinary profit/(loss)</b>	<b>786</b>	<b>(696)</b>
<b>Extraordinary income</b>	<b>-</b>	<b>-</b>
<b>Extraordinary losses</b>	<b>12</b>	<b>4</b>
<b>Income/(loss) before income taxes</b>	<b>774</b>	<b>(701)</b>
<b>Income taxes - current</b>	<b>15</b>	<b>9</b>
<b>Income taxes - deferred</b>	<b>-</b>	<b>34</b>
<b>Total income taxes</b>	<b>15</b>	<b>43</b>
<b>Net income/(loss)</b>	<b>758</b>	<b>(744)</b>

**Non-Consolidated Solvency Margin Ratio**

(Yen in millions)

	March 31, 2014	September 30, 2014
(A) Total amount of solvency margin	12,460	11,080
Total net assets	11,045	10,300
Reserve for price fluctuation	34	37
Contingency reserve	0	0
Catastrophe reserve	1,147	570
General bad debt reserve	1	0
Net unrealized gains/(losses) on investments in securities (prior to tax effect deductions)	231	170
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 $\sqrt{(R_1 + R_2)^2 + (R_3 + R_4)^2} + R_5 + R_6$	5,921	5,923
General insurance risk ( $R_1$ )	5,378	5,378
Insurance risk of third sector insurance contracts ( $R_2$ )	-	-
Assumed interest rate risk ( $R_3$ )	0	0
Asset management risk ( $R_4$ )	735	751
Business administration risk ( $R_5$ )	192	192
Catastrophe risk ( $R_6$ )	300	300
(C) Solvency margin ratio $[(A) / \{(B) \times 1/2\}] \times 100$	420.8 %	374.0 %

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

**Non-Consolidated Balance Sheets**

(Yen in millions)

Items	March 31, 2014	September 30, 2014
(Assets)		
Cash, deposits and savings	30,830	20,233
Call loans	458	494
Receivables under securities borrowing transactions	228,706	245,465
Investments in securities	2,285,544	2,416,082
Loans	49,470	49,704
Tangible fixed assets	1,882	2,293
Intangible fixed assets	4,039	15,398
Due from agencies	225	274
Reinsurance accounts receivable	694	53
Other assets	34,279	34,921
Bad debt reserve	(78)	(67)
<b>Total assets</b>	<b>2,636,052</b>	<b>2,784,853</b>
(Liabilities)		
<b>Policy liabilities:</b>	<b>2,242,550</b>	<b>2,350,943</b>
Outstanding claims	21,204	22,663
Underwriting reserves	2,214,832	2,321,303
Reserve for dividends to policyholders	6,514	6,976
<b>Due to agencies</b>	<b>5,281</b>	<b>5,260</b>
<b>Reinsurance accounts payable</b>	<b>282</b>	<b>217</b>
<b>Other liabilities:</b>	<b>238,290</b>	<b>256,848</b>
Payables under securities lending transactions	229,164	245,959
Income taxes payable	2,120	1,839
Lease obligations	751	625
Asset retirement obligations	364	728
Other liabilities	5,889	7,695
<b>Reserve for pension and retirement benefits</b>	<b>1,609</b>	<b>1,758</b>
<b>Reserve for retirement benefits for officers</b>	<b>50</b>	<b>45</b>
<b>Reserves under the special laws:</b>	<b>3,912</b>	<b>4,192</b>
Reserve for price fluctuation	3,912	4,192
<b>Deferred tax liabilities</b>	<b>12,075</b>	<b>17,527</b>
<b>Total liabilities</b>	<b>2,504,052</b>	<b>2,636,793</b>
(Net assets)		
<b>Common stock</b>	<b>35,500</b>	<b>35,500</b>
<b>Capital surplus</b>	<b>43,688</b>	<b>43,688</b>
<b>Retained earnings</b>	<b>(8,908)</b>	<b>(5,472)</b>
<b>Total shareholders' equity</b>	<b>70,279</b>	<b>73,716</b>
<b>Net unrealized gains/(losses) on investments in securities</b>	<b>61,719</b>	<b>74,343</b>
<b>Total valuation and translation adjustments</b>	<b>61,719</b>	<b>74,343</b>
<b>Total net assets</b>	<b>131,999</b>	<b>148,059</b>
<b>Total liabilities and net assets</b>	<b>2,636,052</b>	<b>2,784,853</b>

**Non-Consolidated Statements of Income**

(Yen in millions)

Items	Six months ended September 30, 2013	Six months ended September 30, 2014
<b>Ordinary income:</b>	<b>223,925</b>	<b>235,936</b>
<b>Insurance premiums and others:</b>	<b>202,552</b>	<b>215,382</b>
Insurance premiums	202,407	215,301
<b>Investment income:</b>	<b>20,811</b>	<b>20,106</b>
Interest and dividends income	18,152	19,477
Gains on sales of securities	2,643	611
<b>Other ordinary income</b>	<b>561</b>	<b>447</b>
<b>Ordinary expenses:</b>	<b>215,898</b>	<b>228,061</b>
<b>Insurance claims and others:</b>	<b>81,928</b>	<b>78,124</b>
Insurance claims	21,748	16,186
Annuity payments	4,668	5,242
Benefits	5,660	5,883
Surrender benefits	47,978	48,662
Other refunds	1,244	1,470
<b>Provision for underwriting reserves and others:</b>	<b>95,344</b>	<b>107,931</b>
Provision for outstanding claims	441	1,459
Provision for underwriting reserves	94,902	106,471
Provision for interest portion of reserve for dividends to policyholders	0	0
<b>Investment expenses:</b>	<b>598</b>	<b>203</b>
Interest expense	143	142
Losses on sales of securities	437	21
<b>Operating expenses</b>	<b>34,557</b>	<b>36,910</b>
<b>Other ordinary expenses</b>	<b>3,470</b>	<b>4,892</b>
<b>Ordinary profit</b>	<b>8,026</b>	<b>7,874</b>
<b>Extraordinary income</b>	<b>1</b>	<b>3</b>
<b>Extraordinary losses</b>	<b>258</b>	<b>294</b>
<b>Provision for reserve for dividends to policyholders</b>	<b>2,625</b>	<b>2,458</b>
<b>Income before income taxes</b>	<b>5,144</b>	<b>5,125</b>
<b>Income taxes - current</b>	<b>232</b>	<b>1,837</b>
<b>Income taxes - deferred</b>	<b>1,616</b>	<b>(148)</b>
<b>Total income taxes</b>	<b>1,849</b>	<b>1,688</b>
<b>Net income</b>	<b>3,294</b>	<b>3,436</b>

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

## (1) Policies in force

(Yen in millions)

	March 31, 2014		September 30, 2014	
	Number of policies (in thousands)	Amount	Number of policies (in thousands)	Amount
Individual insurance	2,406	20,317,959	2,506	20,752,022
Individual annuities	187	787,086	187	782,120
Group insurance	-	5,124,978	-	5,246,620
Group annuities	-	399	-	392

(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 millions)

	Six months ended September 30, 2013				Six months ended September 30, 2014			
	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	116	1,326,331	1,326,331	-	171	1,243,033	1,243,033	-
Individual annuities	6	47,555	47,555	-	3	24,530	24,530	-
Group insurance	-	35,854	35,854	-	-	66,674	66,674	-
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 millions)

	March 31, 2014	September 30, 2014
Individual insurance	289,311	299,474
Individual annuities	44,191	44,131
Total:	333,502	343,605
Medical coverage, living benefits, etc.	61,171	65,858

## (2) New policies

(Yen in millions)

	Six months ended September 30, 2013	Six months ended September 30, 2014
Individual insurance	17,932	22,118
Individual annuities	2,382	1,379
Total:	20,314	23,498
Medical coverage, living benefits, etc.	3,889	7,282

(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 single-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)

	Six months ended September 30, 2013	Six months ended September 30, 2014	Change
Fundamental revenues:	221,290	235,314	14,023
Insurance premiums and others	202,552	215,382	12,830
Fundamental expenses	214,834	226,857	12,023
Fundamental profit	6,456	8,456	2,000
Capital gains/(losses)	2,202	574	(1,628)
Non-recurring gains/(losses)	(632)	(1,155)	(523)
Ordinary profit	8,026	7,874	(151)
Extraordinary income	1	3	1
Extraordinary losses	258	294	35
Provision for reserve for dividends to policyholders	2,625	2,458	(166)
Income taxes	1,849	1,688	(160)
Net income	3,294	3,436	141

**Non-Consolidated Solvency Margin Ratio**

(Yen in millions)

	March 31, 2014	September 30, 2014
(A) Total amount of solvency margin	276,449	302,851
Total capital	70,279	73,716
Reserve for price fluctuation	3,912	4,192
Contingency reserve	23,652	24,812
General bad debt reserve	12	6
Net unrealized gains/(losses) on investments in securities x 90%	80,190	96,592
Net unrealized gains/(losses) on land x 85%	-	-
Excess of continued Zillmerized reserve (a)	128,068	130,735
Subordinated debts, etc. (b)	-	-
Amount excluded from the margin, out of (a) and (b)	(29,945)	(27,609)
Brought in capital	-	-
Deductions	-	-
Others	277	406
(B) Total amount of risks $\sqrt{(R_1 + R_8)^2 + (R_2 + R_3 + R_7)^2} + R_4$	43,710	45,632
Insurance risk ( $R_1$ )	14,298	14,594
Insurance risk of third sector insurance contracts ( $R_8$ )	6,082	6,848
Assumed interest rate risk ( $R_2$ )	2,958	2,990
Minimum guarantee risk ( $R_7$ )	-	-
Asset management risk ( $R_3$ )	33,761	35,249
Business administration risk ( $R_4$ )	1,713	1,790
(C) Solvency margin ratio [(A) / {(B) x 1/2}] x 100	1,264.9 %	1,327.3 %



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

**Non-Consolidated Balance Sheets**

(Yen in millions)

Items	March 31, 2014	September 30, 2014
(Assets)		
<b>Cash, deposits and savings</b>	<b>40,523</b>	<b>53,613</b>
<b>Call loans</b>	<b>7,191</b>	<b>69,752</b>
<b>Money trusts</b>	<b>680,806</b>	<b>648,045</b>
<b>Investments in securities</b>	<b>3,350,422</b>	<b>3,674,724</b>
<b>Loans</b>	<b>448</b>	<b>436</b>
<b>Tangible fixed assets</b>	<b>945</b>	<b>837</b>
<b>Intangible fixed assets</b>	<b>3,696</b>	<b>3,926</b>
<b>Reinsurance accounts receivable</b>	<b>269</b>	<b>187</b>
<b>Other assets</b>	<b>45,368</b>	<b>35,291</b>
<b>Deferred tax assets</b>	<b>34,002</b>	<b>36,918</b>
<b>Total assets</b>	<b>4,163,675</b>	<b>4,523,734</b>
(Liabilities)		
<b>Policy liabilities:</b>	<b>3,993,094</b>	<b>4,344,604</b>
Outstanding claims	10,819	8,706
Underwriting reserves	3,982,275	4,335,898
<b>Due to agencies</b>	<b>7,075</b>	<b>6,426</b>
<b>Reinsurance accounts payable</b>	<b>2,552</b>	<b>2,759</b>
<b>Other liabilities:</b>	<b>31,610</b>	<b>32,963</b>
Income taxes payable	1,711	862
Lease obligations	688	609
Asset retirement obligations	125	126
Other liabilities	29,085	31,365
<b>Reserves under the special laws:</b>	<b>40,136</b>	<b>40,961</b>
Reserve for price fluctuation	40,136	40,961
<b>Total liabilities</b>	<b>4,074,470</b>	<b>4,427,714</b>
(Net assets)		
<b>Common stock</b>	<b>41,060</b>	<b>41,060</b>
<b>Capital surplus</b>	<b>24,735</b>	<b>24,735</b>
<b>Retained earnings</b>	<b>22,669</b>	<b>28,856</b>
<b>Total shareholders' equity</b>	<b>88,464</b>	<b>94,651</b>
<b>Net unrealized gains/(losses) on investments in securities</b>	<b>741</b>	<b>1,369</b>
<b>Total valuation and translation adjustments</b>	<b>741</b>	<b>1,369</b>
<b>Total net assets</b>	<b>89,205</b>	<b>96,020</b>
<b>Total liabilities and net assets</b>	<b>4,163,675</b>	<b>4,523,734</b>

**Non-Consolidated Statements of Income**

(Yen in millions)

Items	Six months ended September 30, 2013	Six months ended September 30, 2014
<b>Ordinary income:</b>	<b>522,169</b>	<b>710,190</b>
<b>Insurance premiums and others:</b>	<b>318,085</b>	<b>498,975</b>
Insurance premiums	316,206	498,084
<b>Investment income:</b>	<b>198,771</b>	<b>207,598</b>
Interest and dividends income	942	18,831
Investment gains on money trusts	-	41,730
Gains on sales of securities	0	1,584
Investment gains on separate accounts	197,828	145,451
<b>Other ordinary income:</b>	<b>5,312</b>	<b>3,617</b>
Reversal of outstanding claims	3,870	2,113
<b>Ordinary expenses:</b>	<b>499,719</b>	<b>699,467</b>
<b>Insurance claims and others:</b>	<b>434,158</b>	<b>303,687</b>
Insurance claims	26,975	25,294
Annuity payments	26,459	30,103
Benefits	92,173	78,120
Surrender benefits	273,667	152,870
Other refunds	739	1,316
<b>Provision for underwriting reserves and others:</b>	<b>7,235</b>	<b>353,623</b>
Provision for underwriting reserves	7,235	353,623
<b>Investment expenses:</b>	<b>32,517</b>	<b>3,954</b>
Interest expense	0	0
Investment losses on money trusts	31,683	-
Losses on derivative transactions	-	165
<b>Operating expenses</b>	<b>23,244</b>	<b>33,624</b>
<b>Other ordinary expenses</b>	<b>2,563</b>	<b>4,579</b>
<b>Ordinary profit</b>	<b>22,449</b>	<b>10,723</b>
<b>Extraordinary income</b>	<b>-</b>	<b>-</b>
<b>Extraordinary losses</b>	<b>516</b>	<b>836</b>
<b>Income before income taxes</b>	<b>21,933</b>	<b>9,886</b>
<b>Income taxes - current</b>	<b>9,251</b>	<b>4,895</b>
<b>Income taxes - deferred</b>	<b>(1,825)</b>	<b>(3,195)</b>
<b>Total income taxes</b>	<b>7,425</b>	<b>1,700</b>
<b>Net income</b>	<b>14,507</b>	<b>8,186</b>

## **Business Results**

### **Amount of Policies in Force and New Policies**

## (1) Policies in force

(Yen in millions)

	March 31, 2014		September 30, 2014	
	Number of policies (in thousands)	Amount	Number of policies (in thousands)	Amount
Individual insurance	175	1,073,428	242	1,443,398
Individual annuities	365	2,950,965	355	2,922,650
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 millions)

	Six months ended September 30, 2013				Six months ended September 30, 2014			
	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	42	227,272	227,272	-	74	402,982	402,982	-
Individual annuities	12	75,013	75,013	-	14	81,690	81,690	-
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 millions)

	March 31, 2014	September 30, 2014
Individual insurance	70,148	93,847
Individual annuities	384,155	375,567
Total:	454,303	469,415
Medical coverage, living benefits, etc.	105	107

## (2) New policies

(Yen in millions)

	Six months ended September 30, 2013	Six months ended September 30, 2014
Individual insurance	14,900	26,585
Individual annuities	56,266	61,017
Total:	71,167	87,603
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 single-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)

	Six months ended September 30, 2013	Six months ended September 30, 2014	Change
Fundamental revenues:	540,805	696,097	155,292
Insurance premiums and others	318,085	498,975	180,890
Fundamental expenses	510,641	688,683	178,042
Fundamental profit	30,163	7,413	(22,749)
Capital gains/(losses)	(5,591)	10,277	15,869
Non-recurring gains/(losses)	(2,121)	(6,968)	(4,846)
Ordinary profit	22,449	10,723	(11,726)
Extraordinary income	-	-	-
Extraordinary losses	516	836	320
Provision for reserve for dividends to policyholders	-	-	-
Income taxes	7,425	1,700	(5,725)
Net income	14,507	8,186	(6,321)

**Non-Consolidated Solvency Margin Ratio**

(Yen in millions)

	March 31, 2014	September 30, 2014
(A) Total amount of solvency margin	347,258	345,926
Total capital	86,464	94,651
Reserve for price fluctuation	40,136	40,961
Contingency reserve	64,460	71,428
General bad debt reserve	-	-
Net unrealized gains/(losses) on investments in securities x 90%	963	1,780
Net unrealized gains/(losses) on land x 85%	-	-
Excess of continued Zillmerized reserve (a)	146,219	124,451
Subordinated debts, etc. (b)	-	-
Amount excluded from the margin, out of (a) and (b)	-	-
Brought in capital	-	-
Deductions	-	-
Others	9,013	12,653
(B) Total amount of risks $\sqrt{(R_1 + R_8)^2 + (R_2 + R_3 + R_7)^2} + R_4$	69,128	77,782
Insurance risk (R <sub>1</sub> )	62	59
Insurance risk of third sector insurance contracts (R <sub>8</sub> )	13	12
Assumed interest rate risk (R <sub>2</sub> )	26,207	32,327
Minimum guarantee risk (R <sub>7</sub> )	11,581	8,838
Asset management risk (R <sub>3</sub> )	29,982	35,090
Business administration risk (R <sub>4</sub> )	1,356	1,526
(C) Solvency margin ratio [(A) / {(B) x 1/2}] x 100	1,004.6 %	889.4 %

### 3. Supplementary Information on Business Results for the Six Months Ended September 30, 2014 for Press Conference

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

##### 1. Basic Information

(Yen in 100 millions)

		Six months ended September 30, 2013 (A)	Year ended March 31, 2014 (B)	Six months ended September 30, 2014 (C)	Change (C) - (B)	Change (C) - (A)
1	Net premiums written	7,007	13,845	7,291	-	284
	Change ratio	5.0 %	5.3 %	4.1 %	(1.2)%	(0.9)%
2	Total assets	61,766	60,980	63,432	2,452	1,665
3	Net loss ratio	63.9 %	65.1 %	61.5 %	(3.6)%	(2.4)%
4	Net expense ratio	31.2 %	32.0 %	31.5 %	(0.5)%	0.3 %
5	Combined ratio	95.1 %	97.1 %	93.0 %	(4.1)%	(2.1)%
	Underwriting result ratio	4.9 %	2.9 %	7.0 %	4.1 %	2.1 %
6	Voluntary automobile insurance					
	Net premiums written	3,047	6,083	3,139	-	92
	Change ratio	2.9 %	3.0 %	3.0 %	-	0.1 %
	Underwriting result ratio	6.1 %	4.7 %	8.6 %	3.9 %	2.5 %
	Net loss ratio	62.9 %	63.5 %	59.2 %	(4.3)%	(3.7)%
	Net expense ratio	31.0 %	31.8 %	32.2 %	0.4 %	1.2 %
7	Fire and allied insurance					
	Net premiums written	1,053	2,122	1,069	-	15
	Change ratio	14.6 %	13.0 %	1.5 %	(11.5)%	(13.1)%
	Underwriting result ratio	(9.9)%	(11.4)%	(19.6)%	(8.2)%	(9.7)%
	Net loss ratio	70.5 %	70.9 %	79.2 %	8.3 %	8.7 %
	Net expense ratio	39.4 %	40.5 %	40.4 %	(0.1)%	1.0 %
8	Number of employees	14,391	14,188	15,002	814	611
9	Number of agencies	40,274	39,859	40,215	356	(59)

(Notes) 1. Net premiums written and ratios are presented exclusive of Good Result Return premiums of the automobile insurance product "ModoRich", which contains a special clause related to premium adjustment and refund at maturity.

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

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

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

5. Underwriting result ratio = 100 - combined ratio

#### (Reference) Consolidated Business Performance of MS&AD Insurance Group Holdings, Inc. (Yen in 100 millions)

		Six months ended September 30, 2013 (A)	Year ended March 31, 2014 (B)	Six months ended September 30, 2014 (C)	Change (C) - (B)	Change (C) - (A)
1	Ordinary income	20,704	43,607	24,417	-	3,712
2	Net premiums written	14,241	28,095	14,863	-	621
	Change ratio	6.2 %	6.4 %	4.4 %	(2.0)%	(1.8)%
3	Life insurance premiums	1,827	6,789	4,968	-	3,141
	Change ratio	(45.9)%	19.3 %	171.9 %	152.6 %	217.8 %
4	Ordinary profit/(loss)	1,630	1,902	1,580	-	(50)
5	Net income/(loss)	1,095	934	1,096	-	1

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

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

## 2. Other Information

### (a) Non-performing assets

#### Risk-monitored loans

(Yen in 100 millions)

	September 30, 2013	March 31, 2014	September 30, 2014
Loans to borrowers in bankruptcy	0	0	0
Overdue loans	29	27	7
Loans overdue for three months or more	6	5	5
Restructured loans	29	28	27
Total	64	61	39
Ratio to total loans	1.1 %	1.1 %	0.8 %

(Reference) Total loans	5,673	5,382	5,144
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#### Results of self-assessment of assets

(Yen in 100 millions)

	September 30, 2013	March 31, 2014	September 30, 2014
Non-classified	60,173	59,149	61,654
Category II	1,428	1,641	1,614
Category III	136	162	133
Category IV	38	61	67
Subtotal (Categories II - IV)	1,603	1,865	1,815
Total	61,777	61,015	63,469

(Note) "Total" represents the balances before write-off conducted based on self-assessment of assets (including impairment losses on securities and fixed assets).

Amounts written off based on self-assessment of assets are as follows:

For the six months ended September 30, 2013: ¥1.1 billion (excluding impairment losses on fixed assets of ¥0.2 billion for the first quarter)

For the year ended March 31, 2014: ¥3.5 billion (excluding impairment losses on fixed assets of ¥0.2 billion for the fiscal year)

For the six months ended September 30, 2014: ¥3.7 billion (excluding impairment losses on fixed assets of ¥1.3 billion for the first quarter)

### (b) Impairment losses on securities

(Yen in 100 millions)

	Six months ended September 30, 2013	Year ended March 31, 2014	Six months ended September 30, 2014
Domestic bonds	-	-	-
Stock	6	2	0
Foreign securities	4	30	36
Other securities	-	-	0
Total	10	33	36

#### Rules for recognition of impairment

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

### (c) Impairment losses on fixed assets

(Yen in 100 millions)

	Six months ended September 30, 2013	Year ended March 31, 2014	Six months ended September 30, 2014
Land	1	1	10
Buildings	1	1	3
Others	-	-	-
Total	2	2	14

### (d) Unrealized gains and losses on investments in securities

(Yen in 100 millions)

	September 30, 2013	March 31, 2014	September 30, 2014
Domestic bonds	823	855	1,002
Stock	10,976	10,581	12,141
Foreign securities	150	179	230
Other securities	65	43	46
Total	12,014	11,659	13,420

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

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

**Mitsui Sumitomo Insurance Co., Ltd. (Non-consolidated)**
**(e) Losses caused by natural disasters in Japan (Yen in 100 millions)**

	Six months ended September 30, 2013	Year ended March 31, 2014	Six months ended September 30, 2014
Direct claims paid	29	191	37
Net claims paid	28	182	36
Movement in outstanding claims	110	37	60

(Note) The above table describes losses caused by natural disasters in Japan (excluding heavy snowfall disaster in February, 2014) for the period.

Net claims paid including claims in previous years (including the Great East Japan Earthquake and excluding heavy snowfall disaster in February, 2014) are ¥8.1 billion for the six months ended September 30, 2013, ¥24.7 billion for the year ended March 31, 2014 and ¥7.3 billion for the six months ended September 30, 2014.

**(f) Catastrophe reserve (Yen in 100 millions)**

Lines of insurance	September 30, 2013			March 31, 2014			September 30, 2014		
	Balance	Reserve Ratio	Provision	Balance	Reserve Ratio	Provision	Balance	Reserve Ratio	Provision
Fire and allied	1,112	53.0 %	95	1,005	47.5 %	191	924	43.4 %	96
Marine	681	117.6 %	13	693	122.3 %	25	708	111.0 %	14
Personal accident	649	42.7 %	23	621	43.0 %	45	642	41.0 %	24
Voluntary automobile	101	1.7 %	97	194	3.2 %	194	273	4.4 %	100
Other	1,430	70.7 %	56	1,470	77.8 %	101	1,527	71.2 %	60
Total	3,974	32.3 %	286	3,985	32.9 %	558	4,076	31.9 %	296

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

The calculation for the reserve ratio as of September 30 has been made using twice the net premiums written for the six months ended September 30 as a denominator.

2. Provision = gross provision

**(g) Losses caused by heavy snowfall disaster in February, 2014 (Yen in 100 millions)**

	Year ended March 31, 2014	Six months ended September 30, 2014	Accumulated total up to September 30, 2014
Net claims paid	86	349	435
Incurred losses	454	13	468

(Notes) 1. "Accumulated total up to September 30, 2014" is the accumulated amount from February, 2014 to September 30, 2014.

2. Incurred losses = net claims paid + movement in outstanding claims

**(h) Reinsurance assumed (Yen in 100 millions)**

Lines of insurance	Six months ended September 30, 2013		Six months ended September 30, 2014	
	Net reinsurance assumed premiums written	Net reinsurance assumed claims paid	Net reinsurance assumed premiums written	Net reinsurance assumed claims paid
Fire and allied	224	201	231	148
Marine	64	44	69	29
Personal accident	4	4	3	4
Voluntary automobile	10	6	31	8
Compulsory automobile liability	634	672	699	674
Other	95	33	85	20
Total	1,033	962	1,121	886

**(i) Reinsurance ceded (Yen in 100 millions)**

Lines of insurance	Six months ended September 30, 2013		Six months ended September 30, 2014	
	Net reinsurance ceded premiums written	Net reinsurance ceded claims paid	Net reinsurance ceded premiums written	Net reinsurance ceded claims paid
Fire and allied	516	338	553	97
Marine	168	145	177	72
Personal accident	42	22	40	16
Voluntary automobile	20	8	36	22
Compulsory automobile liability	640	655	630	653
Other	184	99	209	69
Total	1,573	1,268	1,647	931

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

**1. Basic Information**

(Yen in 100 millions)

		Six months ended September 30, 2013 (A)	Year ended March 31, 2014 (B)	Six months ended September 30, 2014 (C)	Change (C) - (B)	Change (C) - (A)
1	Net premiums written	5,775	11,446	5,836	-	61
	Change ratio	3.9 %	3.8 %	1.1 %	(2.7)%	(2.8)%
2	Total assets	32,614	32,571	33,031	460	417
3	Net loss ratio	62.8 %	65.0 %	63.4 %	(1.6)%	0.6 %
4	Net expense ratio	33.8 %	34.5 %	34.9 %	0.4 %	1.1 %
5	Combined ratio	96.6 %	99.5 %	98.3 %	(1.2)%	1.7 %
	Underwriting result ratio	3.4 %	0.5 %	1.7 %	1.2 %	(1.7)%
6	Voluntary automobile insurance					
	Net premiums written	3,318	6,589	3,337	-	19
	Change ratio	2.5 %	2.2 %	0.6 %	(1.6)%	(1.9)%
	Underwriting result ratio	5.5 %	3.3 %	6.7 %	3.4 %	1.2 %
	Net loss ratio	62.0 %	63.2 %	59.3 %	(3.9)%	(2.7)%
	Net expense ratio	32.5 %	33.5 %	34.0 %	0.5 %	1.5 %
7	Fire and allied insurance					
	Net premiums written	672	1,357	661	-	(10)
	Change ratio	11.3 %	7.4 %	(1.6)%	(9.0)%	(12.9)%
	Underwriting result ratio	(4.3)%	(10.9)%	(30.9)%	(20.0)%	(26.6)%
	Net loss ratio	58.6 %	64.8 %	83.3 %	18.5 %	24.7 %
	Net expense ratio	45.7 %	46.1 %	47.6 %	1.5 %	1.9 %
8	Number of employees	13,044	12,812	13,120	308	76
9	Number of agencies	49,923	49,766	49,827	61	(96)

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

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

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

4. Underwriting result ratio = 100 - combined ratio

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

Please refer to page 35.



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

## 2. Other Information

### (a) Non-performing assets

#### Risk-monitored loans

(Yen in 100 millions)

	September 30, 2013	March 31, 2014	September 30, 2014
Loans to borrowers in bankruptcy	0	0	0
Overdue loans	7	5	5
Loans overdue for three months or more	5	7	3
Restructured loans	19	18	17
Total	32	32	27
Ratio to total loans	1.5 %	1.5 %	1.3 %

(Reference) Total loans	2,246	2,200	2,173
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#### Results of self-assessment of assets

(Yen in 100 millions)

	September 30, 2013	March 31, 2014	September 30, 2014
Non-classified	31,626	31,626	32,552
Category II	231	218	206
Category III	3	2	1
Category IV	46	51	38
Subtotal (Categories II - IV)	282	272	245
Total	31,909	31,898	32,797

(Note) "Total" represents the balances before write-off conducted based on self-assessment of assets (including impairment losses on securities and fixed assets).

### (b) Impairment losses on securities

(Yen in 100 millions)

	Six months ended September 30, 2013	Year ended March 31, 2014	Six months ended September 30, 2014
Domestic bonds	-	-	-
Stock	25	34	7
Foreign securities	5	1	1
Other securities	-	-	-
Total	31	36	8

#### Rules for recognition of impairment

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

### (c) Impairment losses on fixed assets

(Yen in 100 millions)

	Six months ended September 30, 2013	Year ended March 31, 2014	Six months ended September 30, 2014
Land	0	0	4
Buildings	0	0	10
Others	-	-	-
Total	0	0	15

### (d) Unrealized gains and losses on investments in securities

(Yen in 100 millions)

	September 30, 2013	March 31, 2014	September 30, 2014
Domestic bonds	300	348	422
Stock	2,494	2,478	3,082
Foreign securities	159	309	533
Other securities	48	41	60
Total	3,001	3,177	4,098

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

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

**Aioi Nissay Dowa Insurance Co., Ltd. (Non-consolidated)**
**(e) Losses caused by natural disasters in Japan** (Yen in 100 millions)

	Six months ended September 30, 2013	Year ended March 31, 2014	Six months ended September 30, 2014
Direct claims paid	23	141	23
Net claims paid	22	137	22
Movement in outstanding claims	68	14	32

(Note) The above table describes losses caused by natural disasters in Japan (excluding heavy snowfall disaster in February, 2014) for the period.

Net claims paid including claims in previous years (excluding heavy snowfall disaster in February, 2014) are ¥3.3 billion for the six months ended September 30, 2013, ¥15.0 billion for the year ended March 31, 2014 and ¥3.4 billion for the six months ended September 30, 2014.

**(f) Catastrophe reserve** (Yen in 100 millions)

Lines of insurance	September 30, 2013			March 31, 2014			September 30, 2014		
	Balance	Reserve Ratio	Provision	Balance	Reserve Ratio	Provision	Balance	Reserve Ratio	Provision
Fire and allied	1,121	83.7 %	53	1,045	77.3 %	108	919	69.7 %	53
Marine	135	120.9 %	2	138	123.3 %	5	140	137.6 %	2
Personal accident	578	75.8 %	12	589	81.1 %	23	601	81.6 %	11
Voluntary automobile	107	1.6 %	107	212	3.2 %	212	177	2.7 %	107
Other	521	48.2 %	28	505	49.7 %	51	529	46.4 %	29
Total	2,464	24.8 %	203	2,491	25.4 %	401	2,368	23.7 %	203

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

The calculation for the reserve ratio as of September 30 has been made using twice the net premiums written for the six months ended September 30 as a denominator.

2. Provision = gross provision

**(g) Losses caused by heavy snowfall disaster in February, 2014** (Yen in 100 millions)

	Year ended March 31, 2014	Six months ended September 30, 2014	Accumulated total up to September 30, 2014
Net claims paid	98	238	336
Incurred losses	367	8	376

(Notes) 1. "Accumulated total up to September 30, 2014" is the accumulated amount from February, 2014 to September 30, 2014.

2. Incurred losses = net claims paid + movement in outstanding claims

**(h) Reinsurance assumed** (Yen in 100 millions)

Lines of insurance	Six months ended September 30, 2013		Six months ended September 30, 2014	
	Net reinsurance assumed premiums written	Net reinsurance assumed claims paid	Net reinsurance assumed premiums written	Net reinsurance assumed claims paid
Fire and allied	132	88	150	42
Marine	22	13	23	9
Personal accident	10	5	12	6
Voluntary automobile	107	75	115	75
Compulsory automobile liability	575	629	620	622
Other	81	54	144	75
Total	929	867	1,068	832

**(i) Reinsurance ceded** (Yen in 100 millions)

Lines of insurance	Six months ended September 30, 2013		Six months ended September 30, 2014	
	Net reinsurance ceded premiums written	Net reinsurance ceded claims paid	Net reinsurance ceded premiums written	Net reinsurance ceded claims paid
Fire and allied	439	66	485	137
Marine	16	12	10	10
Personal accident	26	11	27	10
Voluntary automobile	20	4	16	9
Compulsory automobile liability	681	721	669	731
Other	194	103	229	124
Total	1,379	919	1,438	1,024

**(Reference)**

**Incurred losses of non-life insurance business (excluding loss adjustment expenses)**

(Yen in 100millions)

		Six months ended September 30, 2013	Six months ended September 30, 2014	Change
Incurred losses:	1	8,051	7,933	(117)
Residential earthquake insurance and compulsory automobile liability insurance	2	1,316	1,287	(28)
Excluding residential earthquake insurance and compulsory automobile liability insurance (sum total of items 5 to 8):	3	6,734	6,645	(89)
Net claims paid	4	6,910	6,974	63
Natural disasters in Japan (excluding snowfall disasters)	5	231	151	(79)
Heavy snowfall disaster in February, 2014	6	-	22	22
Flooding in Thailand	7	(158)	(2)	155
Others	8	6,662	6,473	(188)

(Notes) 1. Incurred losses = net claims paid + movement in outstanding claims

2. Amounts of snowfall disasters other than the heavy snowfall disaster in February, 2014 are included in "Others".