

[Translation]

**SUMMARY OF FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS ENDED JUNE 30, 2013**

August 9, 2013

Name of Listed Company: **MS&AD Insurance Group Holdings, Inc.**  
 Securities Code No.: 8725  
 Stock Exchanges: Tokyo, Nagoya  
 URL: <http://www.ms-ad-hd.com>  
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Date of filing of Quarterly Financial Report: August 12, 2013  
 Date of starting payment of dividends: -  
 Explanatory materials 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 Business Results for the Three Months Ended June 30, 2013 (April 1, 2013 to June 30, 2013)**

(1) Consolidated results of operations (Yen in millions)

	Ordinary income		Ordinary profit/(loss)		Net income/(loss)	
	Amount	%	Amount	%	Amount	%
Three months ended June 30, 2013	1,045,065	(6.5) %	118,070	515.7 %	83,148	638.2 %
Three months ended June 30, 2012	1,117,953	9.2 %	19,175	(64.0) %	11,263	(70.5) %

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

(Note) Comprehensive income: ¥ 159,841 million for the three months ended June 30, 2013 -%  
 (¥ 67,595 million) for the three months ended June 30, 2012 -%

(Yen)

	Net income/(loss) per share - Basic	Net income/(loss) per share - Diluted
Three months ended June 30, 2013	133.71	-
Three months ended June 30, 2012	18.11	-

(2) Consolidated financial conditions (Yen in millions)

	Total assets	Net assets	Net assets less minority interests to Total assets
June 30, 2013	16,009,515	2,134,194	13.2 %
March 31, 2013	15,914,663	2,021,625	12.6 %

(Reference) Net assets less minority interests: As of June 30, 2013: ¥ 2,110,771 million  
 As of March 31, 2013: ¥ 1,999,579 million

**2. Dividends**

	Dividends per share (Yen)				
	1st quarter	2nd quarter	3rd quarter	4th quarter	Annual total
Year ended March 31, 2013	-	27.00	-	27.00	54.00
Year ending March 31, 2014	-				
Year ending March 31, 2014 (Forecast)		28.00	-	28.00	56.00

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

**3. Consolidated Earnings Forecasts for the Year Ending March 31, 2014 (April 1, 2013 to March 31, 2014)**

(Yen in millions)

	Ordinary profit		Net income		Net income per share (Yen)
	Amount	%	Amount	%	Amount
Year ending March 31, 2014	191,000	27.1 %	125,000	49.5 %	201.10

Percent figures represent changes from the preceding year.

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

#### 4. Other Information

(1) Significant changes in scope of consolidation during the period: None

(2) Adoption of special accounting methods allowed to be applied to quarterly consolidated financial statements: Yes

(Note) For details, please refer to "(1) Adoption of special accounting methods allowed to be applied to quarterly consolidated financial statements" on page 2 of the Appendix.

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

1. Changes in accounting policies due to revisions of accounting standards: None

2. Changes in accounting policies other than above: Yes

3. Changes in accounting estimates: None

4. Restatements: None

(Note) For details, please refer to "(2) Changes in accounting policies and accounting estimates and restatements" on page 2 of the Appendix.

(4) The number of shares outstanding (common stock)

1. The number of shares outstanding (including treasury stock)

As of June 30, 2013: 633,291,754 shares

As of March 31, 2013: 633,291,754 shares

2. The number of treasury stock

As of June 30, 2013: 11,810,362 shares

As of March 31, 2013: 11,403,482 shares

3. The average number of shares outstanding

For the three months ended June 30, 2013: 621,834,794 shares

For the three months ended June 30, 2012: 621,901,027 shares

#### \*Disclosure regarding the execution of the audit process

This report is outside the scope of the external auditor's quarterly review procedure required by "Financial Instruments and Exchange Act". However, the quarterly review process has been completed as of the disclosure date of this report.

#### \*Notes to the earnings forecasts

Any earnings forecasts in this report have been made based on the information available to the Company as of the disclosure date of the report and certain assumptions, and therefore do not guarantee future performance. Actual results may differ substantially from these forecasts depending on various factors. Forecasts of ordinary income and consolidated earnings for the second quarter (cumulative) have not been disclosed due to the difficulty in calculating reasonable forecast figures stemming from substantial fluctuations attributable to natural disasters and the market environment.

## Contents

	Page
<b>1. Quantitative Information concerning Business Results</b>	
(1) Explanation for results of operations .....	2
(2) Explanation for financial conditions .....	2
(3) Explanation for future forecast information including consolidated earnings forecasts .....	2
<b>2. Information concerning Summary (Other Information)</b>	
(1) Adoption of special accounting methods allowed to be applied to quarterly consolidated financial statements .....	2
(2) Changes in accounting policies and accounting estimates and restatements .....	2
<b>3. Consolidated Financial Statements</b>	
(1) Consolidated Balance Sheets .....	3
(2) Consolidated Statements of Income and Comprehensive Income .....	4
(3) Notes to Consolidated Financial Statements .....	6
(Notes to Going Concern Assumptions) .....	6
(Notes to Significant Changes in Shareholders' Equity) .....	6
<b>【Explanation for Business Results】</b>	
1. Summary of Consolidated Business Results .....	7
2. Business Results of Mitsui Sumitomo Insurance Co., Ltd. (Non-consolidated) .....	10
3. Business Results of Aioi Nissay Dowa Insurance Co., Ltd. (Non-consolidated) .....	14
4. Supplementary Information	
•Supplementary Information on Consolidated Financial Statements .....	18
•Summary of Results of Main Consolidated Subsidiaries .....	20

## **1. Qualitative Information concerning Business Results**

### **(1) Explanation for results of operations**

Despite continuing economic downside risk amid uncertainty in the global economy, the Japanese economy showed a moderate rebound during the first three months of the current consolidated fiscal year, with an improvement in corporate earnings and a pickup in consumer spending, due in part to correction of the yen appreciation and a rise in stock prices supported by monetary easing and a range of economic stimulus measures.

In this business environment, the results of the Group for the first three months of the current consolidated fiscal year were as follows.

Underwriting income was ¥855.4 billion (of which, net premiums written was ¥690.7 billion), investment income were ¥187.4 billion, and other ordinary income was ¥2.1 billion, resulting in total ordinary income of ¥1,045.0 billion. Ordinary expenses amounted to ¥926.9 billion. This breaks down into underwriting expenses of ¥747.8 billion (of which, net claims paid were ¥416.3 billion), investment expenses of ¥46.0 billion, operating expenses and general and administrative expenses of ¥129.0 billion, and other ordinary expenses of ¥4.0 billion.

As a result, the Company posted an ordinary profit of ¥118.0 billion, marking an increase of ¥98.8 billion year on year. After factoring in extraordinary income and losses, income taxes and other factors, net income of ¥83.1 billion was reported with an increase of ¥71.8 billion year on year.

### **(2) Explanation for financial conditions**

Total assets as at June 30, 2013 stood at ¥16,009.5 billion with an increase of ¥94.8 billion from the end of the previous fiscal year and net assets stood at ¥2,134.1 billion with an increase of ¥112.5 billion from the end of the previous fiscal year mainly due to an increase in net unrealized gains on investments in securities.

### **(3) Explanation for future forecast information including consolidated earnings forecasts**

Our consolidated earnings forecasts for the full year are ordinary profit of ¥191 billion and net income of ¥125 billion, remaining unchanged from the forecasts announced on May 20, 2013.

## **2. Information concerning Summary (Other Information)**

### **(1) Adoption of special accounting methods allowed to be applied to quarterly consolidated financial statements**

(Calculation of tax expenses)

The domestic consolidated companies calculate tax expenses mainly by multiplying quarterly net income before income taxes by the effective corporate tax rate, after adding or deducting the amount concerned only if the difference that does not correspond to a temporary difference, etc. is significant.

### **(2) Changes in accounting policies and accounting estimates and restatements**

(Changes in accounting policies)

“Accounting Standard for Retirement Benefits” (ASBJ Statement No. 26, May 17, 2012, hereafter “Retirement Benefits Accounting Standard”) and “Guidance on Accounting Standard for Retirement Benefits” (ASBJ Guidance No. 25, May 17, 2012, hereafter “Guidance on Retirement Benefits”) have been applied from the accounting period for the first three months of the current consolidated fiscal year (however, subject to provisions stated in Clause 35 of the Retirement Benefits Accounting Standard and Clause 67 of the Guidance on Retirement Benefits), as they became applicable from the start of the consolidated fiscal year beginning on or after April 1, 2013. The Company reviewed its method of calculating retirement benefit obligations and service costs, and changed the method of attributing expected benefit to periods from the straight-line attribution to the benefit formula basis.

In regard to the application of the Retirement Benefits Accounting Standard, etc., the Company has added or deducted the applicable amount of the effect due to the change in the calculation method for retirement benefit obligations and service costs in accordance with the transitional treatment prescribed in Clause 37 of the Retirement Benefits Accounting Standard to retained earnings at the start of the accounting period for the first three months of the current consolidated fiscal year.

As a result, retained earnings at the start of the accounting period for the first three months of the current consolidated fiscal year decreased by ¥30,261 million, and ordinary profit and income before income taxes and minority interests for the first three months of the current consolidated fiscal year increased by ¥77 million, respectively.

### 3. Consolidated Financial Statements

#### (1) Consolidated Balance Sheets

(Yen in millions)

Items	March 31, 2013	June 30, 2013
(Assets)		
Cash, deposits and savings	536,383	480,358
Call loans	99,709	84,498
Receivables under resale agreements	48,545	99,887
Receivables under securities borrowing transactions	224,025	206,263
Monetary claims bought	93,013	135,816
Money trusts	898,510	830,034
Investments in securities	11,398,945	11,620,315
Loans	867,063	842,407
Tangible fixed assets	488,069	485,178
Intangible fixed assets	177,693	184,999
Other assets	919,857	878,304
Deferred tax assets	132,741	127,486
Customers' liabilities under acceptances and guarantees	39,500	44,500
Bad debt reserve	(9,394)	(10,533)
<b>Total assets</b>	<b>15,914,663</b>	<b>16,009,515</b>
(Liabilities)		
Policy liabilities:	12,544,284	12,485,940
Outstanding claims	1,384,650	1,380,185
Underwriting reserves	11,159,633	11,105,755
Bonds issued	291,176	291,178
Other liabilities	790,243	793,936
Reserve for pension and retirement benefits	111,130	159,144
Reserve for retirement benefits for officers	1,316	1,243
Accrued bonuses for employees	20,234	1,640
Reserves under the special laws:	33,953	35,327
Reserve for price fluctuation	33,953	35,327
Deferred tax liabilities	61,197	62,408
Acceptances and guarantees	39,500	44,500
<b>Total liabilities</b>	<b>13,893,038</b>	<b>13,875,320</b>
(Net assets)		
Shareholders' equity:		
Common stock	100,000	100,000
Capital surplus	682,752	682,752
Retained earnings	353,506	392,374
Treasury stock	(24,823)	(25,840)
Total shareholders' equity	1,111,435	1,149,286
Accumulated other comprehensive income:		
Net unrealized gains/(losses) on investments in securities	891,253	945,952
Net deferred gains/(losses) on hedges	26,428	18,973
Foreign currency translation adjustments	(29,539)	(3,440)
Total accumulated other comprehensive income	888,143	961,485
Minority interests	22,046	23,423
<b>Total net assets</b>	<b>2,021,625</b>	<b>2,134,194</b>
<b>Total liabilities and net assets</b>	<b>15,914,663</b>	<b>16,009,515</b>

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

(Yen in millions)

Items	Three months ended June 30, 2012	Three months ended June 30, 2013
<b>Ordinary income and expenses:</b>		
<b>Ordinary income:</b>	<b>1,117,953</b>	<b>1,045,065</b>
<b>Underwriting income:</b>	<b>1,060,944</b>	<b>855,452</b>
Net premiums written	657,677	690,709
Deposit premiums from policyholders	42,093	36,375
Investment income on deposit premiums from policyholders	14,555	13,297
Life insurance premiums	128,274	33,539
Reversal of outstanding claims	27,925	20,127
Reversal of underwriting reserves	189,198	59,332
<b>Investment income:</b>	<b>54,914</b>	<b>187,418</b>
Interest and dividends income	56,658	66,079
Investment gains on money trusts	351	4,675
Gains on sales of securities	8,751	23,416
Gains on derivative transactions	3,034	2,998
Investment gains on separate accounts	-	102,053
Transfer of investment income on deposit premiums from policyholders	(14,555)	(13,297)
<b>Other ordinary income</b>	<b>2,094</b>	<b>2,193</b>
<b>Ordinary expenses:</b>	<b>1,098,778</b>	<b>926,995</b>
<b>Underwriting expenses:</b>	<b>756,652</b>	<b>747,860</b>
Net claims paid	440,379	416,358
Loss adjustment expenses	33,520	33,250
Commissions and collection expenses	126,033	134,912
Maturity refunds to policyholders	100,125	70,434
Life insurance claims	48,488	89,163
<b>Investment expenses:</b>	<b>214,830</b>	<b>46,059</b>
Investment losses on money trusts	18,657	40,442
Losses on sales of securities	1,631	959
Impairment losses on securities	54,880	2,880
Investment losses on separate accounts	127,080	-
<b>Operating expenses and general and administrative expenses</b>	<b>124,372</b>	<b>129,051</b>
<b>Other ordinary expenses:</b>	<b>3,051</b>	<b>4,023</b>
Interest expense	1,899	2,056
<b>Deferred expenses under Article 113 of the Insurance Business Act</b>	<b>(128)</b>	<b>-</b>
<b>Ordinary profit/(loss)</b>	<b>19,175</b>	<b>118,070</b>
<b>Extraordinary income and losses:</b>		
<b>Extraordinary income:</b>	<b>3,592</b>	<b>70</b>
Gains on sales of fixed assets	528	70
Reversal of reserves under the special law:	3,063	-
Reversal of reserve for price fluctuation	3,063	-
<b>Extraordinary losses:</b>	<b>1,212</b>	<b>1,782</b>
Losses on sales of fixed assets	753	130
Impairment losses on fixed assets	458	277
Provision for reserves under the special law:	-	1,374
Provision for reserve for price fluctuation	-	1,374
<b>Income/(loss) before income taxes and minority interests</b>	<b>21,555</b>	<b>116,358</b>
<b>Income taxes</b>	<b>9,653</b>	<b>32,428</b>
<b>Income/(loss) before minority interests</b>	<b>11,901</b>	<b>83,930</b>
<b>Minority interests</b>	<b>637</b>	<b>781</b>
<b>Net income/(loss)</b>	<b>11,263</b>	<b>83,148</b>

**(Consolidated Statements of Comprehensive Income)**

(Yen in millions)

Items	Three months ended June 30, 2012	Three months ended June 30, 2013
<b>Income/(loss) before minority interests</b>	<b>11,901</b>	<b>83,930</b>
Other comprehensive income:		
Net unrealized gains/(losses) on investments in securities	(111,175)	54,314
Net deferred gains/(losses) on hedges	6,504	(7,455)
Foreign currency translation adjustments	23,015	24,888
Share of other comprehensive income of equity method investments	2,159	4,163
<b>Total other comprehensive income</b>	<b>(79,496)</b>	<b>75,911</b>
<b>Total comprehensive income</b>	<b>(67,595)</b>	<b>159,841</b>
<b>Allocation:</b>		
Comprehensive income attributable to shareholders of the parent	(69,689)	157,505
Comprehensive income attributable to minority interests	2,094	2,336

### **(3) Notes to Consolidated Financial Statements**

#### **(Notes to Going Concern Assumptions)**

Not applicable.

#### **(Notes to Significant Changes in Shareholders' Equity)**

Not applicable.



## 【Explanation for Business Results】

### 1. Summary of Consolidated Business Results

#### (1) Summary of Consolidated Results of Operations

(Yen in 100 millions)

		Three months ended June 30, 2012	Three months ended June 30, 2013	Change	Change ratio (%)
<b>Ordinary income and expenses:</b>					
<b>Underwriting income:</b>	(1)	<b>10,609</b>	<b>8,554</b>	<b>(2,054)</b>	<b>(19.4)</b>
Net premiums written	(2)	6,582	6,904	321	4.9
Deposit premiums from policyholders	(3)	420	363	(57)	(13.6)
Life insurance premiums	(4)	1,282	335	(947)	(73.9)
Reversal of outstanding claims	(5)	279	201	(77)	(27.9)
Reversal of underwriting reserves	(6)	1,885	596	(1,289)	(68.4)
<b>Underwriting expenses:</b>	(7)	<b>7,566</b>	<b>7,478</b>	<b>(87)</b>	<b>(1.2)</b>
Net claims paid	(8)	4,403	4,163	(240)	(5.5)
Loss adjustment expenses	(9)	335	332	(2)	(0.8)
Commission and collection expenses	(10)	1,260	1,349	88	7.0
Maturity refunds to policyholders	(11)	1,001	704	(296)	(29.7)
Life insurance claims	(12)	484	891	406	83.9
<b>Investment income:</b>	(13)	<b>549</b>	<b>1,874</b>	<b>1,325</b>	<b>241.3</b>
Interest and dividends income	(14)	566	660	94	16.6
Investment gains on money trusts	(15)	3	46	43	1,230.2
Gains on sales of securities	(16)	87	234	146	167.6
Gains on derivative transactions	(17)	30	29	(0)	(1.2)
Investment gains on separate accounts	(18)	-	1,020	1,020	-
<b>Investment expenses:</b>	(19)	<b>2,148</b>	<b>460</b>	<b>(1,687)</b>	<b>(78.6)</b>
Investment losses on money trusts	(20)	186	404	217	116.8
Losses on sales of securities	(21)	16	9	(6)	(41.2)
Impairment losses on securities	(22)	548	28	(519)	(94.8)
Investment losses on separate accounts	(23)	1,270	-	(1,270)	(100.0)
<b>Operating expenses and general and administrative expenses</b>	(24)	<b>1,243</b>	<b>1,290</b>	<b>46</b>	<b>3.8</b>
<b>Other ordinary income and expenses:</b>	(25)	<b>(9)</b>	<b>(18)</b>	<b>(8)</b>	<b>-</b>
Gains/(losses) on equity method investments	(26)	2	3	1	41.9
<b>Deferred expenses under Article 113 of the Insurance Business Act</b>	(27)	<b>(1)</b>	<b>-</b>	<b>1</b>	<b>-</b>
<b>Ordinary profit/(loss)</b>	(28)	<b>191</b>	<b>1,180</b>	<b>988</b>	<b>515.7</b>
<b>Extraordinary income and losses:</b>					
<b>Extraordinary income:</b>	(29)	<b>35</b>	<b>0</b>	<b>(35)</b>	<b>(98.0)</b>
<b>Extraordinary losses:</b>	(30)	<b>12</b>	<b>17</b>	<b>5</b>	<b>47.0</b>
<b>Extraordinary income and losses</b>	(31)	<b>23</b>	<b>(17)</b>	<b>(40)</b>	<b>(171.9)</b>
<b>Income/(loss) before income taxes and minority interests</b>	(32)	<b>215</b>	<b>1,163</b>	<b>948</b>	<b>439.8</b>
<b>Income taxes</b>	(33)	<b>96</b>	<b>324</b>	<b>227</b>	<b>235.9</b>
<b>Income/(loss) before minority interests</b>	(34)	<b>119</b>	<b>839</b>	<b>720</b>	<b>605.2</b>
<b>Minority interests</b>	(35)	<b>6</b>	<b>7</b>	<b>1</b>	<b>22.5</b>
<b>Net income/(loss)</b>	(36)	<b>112</b>	<b>831</b>	<b>718</b>	<b>638.2</b>

(Note) Net premiums written exclude Good Result Return premiums of Mitsui Sumitomo Insurance's proprietary auto insurance product "Modorich", which contains a special clause related to premium adjustment and refund at maturity.

**(2) Breakdown by Company (Net Premiums Written, Ordinary Profit and Net Income)**

(Yen in 100 millions)

		Three months ended June 30, 2012	Three months ended June 30, 2013	Change	Change ratio (%)
Net premiums written <small>Note 1</small>	①	6,582	6,904	321	4.9
Mitsui Sumitomo Insurance <small>Note 1</small>	②	3,241	3,374	132	4.1
Aioi Nissay Dowa Insurance	③	2,740	2,814	74	2.7
Mitsui Direct General Insurance	④	89	89	0	0.3
Overseas insurance subsidiaries	⑤	511	617	105	20.7
Ordinary profit/(loss)	⑥	191	1,180	988	515.7
Mitsui Sumitomo Insurance	⑦	103	666	563	545.1
Aioi Nissay Dowa Insurance	⑧	105	376	270	257.7
Net income/(loss)	⑨	112	831	718	638.2
Mitsui Sumitomo Insurance	⑩	105	488	383	365.1
Aioi Nissay Dowa Insurance	⑪	49	271	221	444.7
Mitsui Direct General Insurance	⑫	9	8	(0)	(4.7)
Mitsui Sumitomo Aioi Life Insurance	⑬	4	21	16	362.2
Mitsui Sumitomo Primary Life Insurance	⑭	40	62	22	55.8
Overseas insurance subsidiaries	⑮	68	94	26	38.8
Others	⑯	0	5	4	611.0
Consolidation adjustments / Holding Company	⑰	(165)	(121)	43	-

(Notes) 1. Net premiums written exclude Good Result Return premiums of Mitsui Sumitomo Insurance's proprietary auto 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**

(Yen in 100 millions)

		Three months ended June 30, 2012	Three months ended June 30, 2013	Change	Change ratio (%)
Net premiums written	①	511	617	105	20.7
Asia	②	232	288	56	24.1
Europe	③	140	165	24	17.6
Americas	④	74	92	17	23.8
Reinsurance	⑤	63	70	7	11.4
Net income/(loss)	⑥	68	94	26	38.8
Asia	⑦	39	45	6	15.7
Europe	⑧	10	18	8	80.6
Americas	⑨	6	3	(2)	(42.2)
Reinsurance	⑩	12	26	14	120.6

**(4) Status of Domestic Life Insurance Subsidiaries**

(Yen in 100 millions)

		Three months ended June 30, 2012	Three months ended June 30, 2013	Change	Change ratio (%)	Year ended March 31, 2013
Amount of new policies						
Mitsui Sumitomo Aioi Life Insurance	①	9,623	<b>6,251</b>	<b>(3,372)</b>	<b>(35.0)</b>	37,105
Mitsui Sumitomo Primary Life Insurance	②	712	<b>1,155</b>	<b>443</b>	<b>62.2</b>	4,322
Amount of policies in force						
Mitsui Sumitomo Aioi Life Insurance	③	185,787	<b>202,874</b>	<b>2,128</b>	<b>1.1</b>	200,746
Mitsui Sumitomo Primary Life Insurance	④	29,783	<b>35,845</b>	<b>(769)</b>	<b>(2.1)</b>	36,614
Annualized premiums for policies in force						
Mitsui Sumitomo Aioi Life Insurance	⑤	2,972	<b>3,200</b>	<b>25</b>	<b>0.8</b>	3,174
Mitsui Sumitomo Primary Life Insurance	⑥	4,354	<b>4,190</b>	<b>(152)</b>	<b>(3.5)</b>	4,342

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

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

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

### (1) Profit and loss status

(Yen in 100 millions)

		Three months ended June 30, 2012	Three months ended June 30, 2013	Change	Change ratio %
(+) Net premiums written	①	3,241	3,374	132	4.1
(-) Net claims paid	②	2,236	2,089	(147)	(6.6)
(-) Loss adjustment expenses	③	191	185	(5)	(3.1)
(-) Commissions and collection expenses	④	585	607	22	3.8
(-) Operating expenses and general and administrative expenses for underwriting	⑤	499	495	(4)	(0.9)
Underwriting balance	⑥	(271)	(2)	268	-
(-) Provision for outstanding claims	⑦	(184)	(110)	74	-
(-) Provision for ordinary underwriting reserves	⑧	(16)	13	29	-
(-) Provision for catastrophe reserves	⑨	(332)	(132)	199	-
(+) Other	⑩	(8)	7	15	-
Underwriting profit/(loss)	⑪	252	233	(19)	(7.5)
(+) Interest and dividends income	⑫	338	403	65	19.3
(-) Transfer of investment income on deposit premium from policyholders	⑬	114	104	(10)	(8.8)
Net interest and dividends income ⑫—⑬	⑭	223	299	75	33.6
(+) Gains/(losses) on sales of securities	⑮	23	150	126	536.2
(-) Impairment losses on securities	⑯	267	5	(262)	(97.8)
(+) Gains/(losses) on derivative transactions	⑰	25	42	17	68.4
(+) Other	⑱	(125)	(18)	107	-
Investment profit/(loss)	⑲	(120)	467	588	-
(+) Other ordinary profit/(loss)	⑳	(28)	(34)	(6)	-
Ordinary profit/(loss)	㉑	103	666	563	545.1
(+) Extraordinary income/(loss):	㉒	15	(8)	(24)	(156.6)
Reserve for price fluctuation	㉓	19	(6)	(26)	(131.9)
Income/(loss) before income taxes	㉔	119	658	539	452.8
(-) Income taxes	㉕	14	169	155	1,109.0
Net income/(loss)	㉖	105	488	383	365.1

Ratios	Net loss ratio	㉗	74.9 %	67.4 %	(7.5) %	
	Net expense ratio	㉘	33.5 %	32.7 %	(0.8) %	
	Combined ratio	㉙	108.4 %	100.1 %	(8.3) %	

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

2. Net expense ratio=((Commissions and collection expenses+Operating expenses and general and administrative expenses for underwriting)/Net premiums written)×100

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

### (Reference) Excluding Residential Earthquake Insurance and CALI\*

	Net premiums written	㉚	2,879	3,018	139	4.8
Ratios	Net loss ratio	㉛	71.4 %	63.7 %	(7.7) %	
	Net expense ratio	㉜	34.9 %	33.9 %	(1.0) %	
	Combined ratio	㉝	106.3 %	97.6 %	(8.7) %	

\* CALI stands for Compulsory automobile liability insurance, same hereafter.

**(2) Premiums written**

(Yen in 100 millions)

	Net premiums written				Direct premiums written (excluding deposit premiums)			
	Three months ended June 30, 2012		Three months ended June 30, 2013		Three months ended June 30, 2012		Three months ended June 30, 2013	
	Amount	Change ratio %	Amount	Change ratio %	Amount	Change ratio %	Amount	Change ratio %
Fire and allied	355	(17.6)	417	17.3	576	(0.5)	620	7.7
Marine	135	(3.3)	148	9.8	190	(0.8)	211	11.3
Personal accident	380	3.7	382	0.4	400	3.9	403	0.7
Voluntary automobile	1,497	3.9	1,547	3.3	1,505	4.1	1,555	3.3
CALI	358	18.6	353	(1.3)	392	11.2	419	6.9
Other	513	3.4	525	2.3	541	1.9	573	5.9
Total	3,241	1.9	3,374	4.1	3,606	3.4	3,783	4.9

**(3) Net claims paid**

(Yen in 100 millions)

	Three months ended June 30, 2012			Three months ended June 30, 2013			
	Amount	Change ratio %	Net loss ratio %	Amount	Change ratio %	Net loss ratio %	Change ratio %
Fire and allied	529	42.6	152.1	411	(22.3)	101.4	(50.7)
Marine	64	(22.0)	50.9	68	5.2	48.7	(2.2)
Personal accident	191	2.6	55.7	201	5.6	58.0	2.3
Voluntary automobile	905	0.3	67.7	866	(4.3)	62.7	(5.0)
CALI	340	2.3	104.0	320	(6.0)	99.7	(4.3)
Other	204	5.1	42.7	221	8.0	44.6	1.9
Total	2,236	7.9	74.9	2,089	(6.6)	67.4	(7.5)

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

**(Reference) Incurred loss by natural disasters in Japan**

(Yen in 100 millions)

	Three months ended June 30, 2012			Three months ended June 30, 2013		
	Incurred loss	Net claims paid	Outstanding claims	Incurred loss	Net claims paid	Outstanding claims
Fire and allied	135	69	66	15	7	7
Voluntary automobile	12	8	3	1	1	0
Other	5	2	3	1	0	0
Total	153	79	73	17	9	7

(Note) The figures in the above table are related to the natural disasters occurred in Japan during the fiscal year.

Net claims paid including claims related to the natural disasters occurred in Japan in previous years, but excluding the Great East Japan Earthquake, are as follows; (unit: Yen in 100 millions)

98 (Fire:85, Voluntary Auto:8, Other:4) during three months ended June 30, 2011

24 (Fire:19, Voluntary Auto:2, Other:2) during three months ended June 30, 2012

**(Reference) Incurred loss by flooding in Thailand**

(Yen in 100 millions)

	Three months ended June 30, 2012			Three months ended June 30, 2013		
	Incurred loss	Net claims paid	Outstanding claims	Incurred loss	Net claims paid	Outstanding claims
Incurred loss caused by flooding in Thailand	(67)	214	(281)	(60)	143	(203)

(Notes) 1. Outstanding claims indicate increase/decrease in outstanding claims.

2. Incurred loss includes influence of exchange rate fluctuations.

**(4) Company expenses**

&lt; Corporate expenses &gt;

(Yen in 100 millions)

		Three months ended June 30, 2012			Three months ended June 30, 2013		
		Amount	Change	Change ratio %	Amount	Change	Change ratio %
Personnel expenses	①	422	1	0.3	424	1	0.4
Non personnel	②	256	0	0.3	244	(11)	(4.6)
Taxes and contributions	③	32	(0)	(1.4)	33	0	1.0
Total	④	712	1	0.2	702	(9)	(1.3)

(Note) Corporate expenses = Loss adjustment expenses + Operating expenses and general and administrative expense:

&lt; Expenses for underwriting &gt;

(Yen in 100 millions)

		Three months ended June 30, 2012			Three months ended June 30, 2013		
		Amount	Change	Change ratio %	Amount	Change	Change ratio %
Operating expenses and general and administrative expenses	⑤	499	3	0.7	495	(4)	(0.9)
Commission and collection expenses	⑥	585	10	1.8	607	22	3.8
Total	⑦	1,085	13	1.3	1,103	17	1.6
Net company expense ratio	⑧	33.5 %	(0.2) %		32.7 %	(0.8) %	

**(5) Catastrophe reserve**

(Yen in 100 millions)

	March 31, 2013		June 30, 2013			
	Balance	Reserve ratio	Reversal	Provision	Balance	Reserve ratio
Fire and allied	1,110	59.4	134	37	1,013	61.0
Marine	667	124.4	-	6	674	113.7
Personal accident	650	45.5	13	11	649	42.5
Voluntary automobile	189	3.2	104	49	134	2.2
Other	1,388	76.3	15	29	1,401	66.7
<b>Total</b>	<b>4,006</b>	<b>34.7</b>	<b>268</b>	<b>135</b>	<b>3,873</b>	<b>32.1</b>

(Notes) 1. Reserve ratio = (Balance of catastrophe reserve / (net premiums written (excluding premiums of Residential earthquake Insurance and CALL, and Good Result Return premiums of the auto insurance "ModoRich" ) ) ) × 100

2. In case of 1st quarter, reserve ratio as of June 30, 2013 is calculated by using four times of three months net premiums written ended June 30, 2013.

**(6) Balance of investment assets**

(Yen in 100 millions)

	March 31, 2013	June 30, 2013	
			Change
Cash deposits and savings	4,001	4,532	530
Investments in securities	41,179	42,099	920
Domestic bonds	17,151	16,575	(575)
Domestic stock	16,406	17,838	1,431
Foreign securities	7,388	7,479	91
Other securities	232	205	(26)
Loans	5,760	5,717	(42)
Land and buildings	2,230	2,208	(22)
<b>Total</b>	<b>53,172</b>	<b>54,558</b>	<b>1,385</b>

(Reference)

Long-term investment assets	16,257	16,109	(147)
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**(7) Breakdown of interest and dividends income**

(Yen in 100 millions)

	Three months ended June 30, 2012	Three months ended June 30, 2013	
			Change
Investments in securities	282	357	74
Domestic bonds	65	65	0
Domestic stock	159	174	14
Foreign securities	56	114	57
Other securities	0	2	2
Loans	25	22	(3)
Land and buildings	13	16	2
Other	16	8	(8)
<b>Total</b>	<b>338</b>	<b>403</b>	<b>65</b>

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

(Yen in 100 millions)

June 30, 2013	Acquisition cost	Fair value	Difference	Change from
				March 31, 2013
Domestic bonds	15,937	16,575	637	(467)
Domestic stock	7,071	17,137	10,065	1,488
Foreign securities	2,502	2,664	161	(31)
Other securities	1,419	1,478	58	(17)
Total	26,931	37,854	10,923	972

(Yen in 100 millions)

March 31, 2013	Acquisition cost	Fair value	Difference
Domestic bonds	16,045	17,151	1,105
Domestic stock	7,124	15,701	8,576
Foreign securities	2,388	2,581	193
Other securities	1,071	1,147	76
Total	26,631	36,582	9,951

(Notes) 1. The above tables describe available-for-sale securities with market values.

2. "Other securities" includes certificates of deposits recorded as Cash, deposits and savings, and commercial papers and loan receivable trust beneficiary certificates recorded as Monetary claims bought on the balance sheets.

**Gains and losses on sales of securities**

(Yen in 100 millions)

	Three months ended June 30, 2012 Gains/(losses)	Three months ended June 30, 2013		
		Gains/(losses)	Gains and Losses	
			Gains	Losses
Domestic bonds	1	28	31	3
Domestic stock	22	118	118	0
Foreign securities	(0)	3	4	0
Other securities	-	(0)	-	0
Total	23	150	154	3

**Impairment losses on securities**

(Yen in 100 millions)

	Three months ended June 30, 2012	Three months ended June 30, 2013	Change
Domestic bonds	-	-	-
Domestic stock	263	5	(258)
Foreign securities	3	0	(3)
Other securities	-	-	-
Total	267	5	(262)

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

#### (1) Profit and loss status

(Yen in 100 millions)

		Three months ended June 30, 2012	Three months ended June 30, 2013	Change	Change ratio	
(+)	Net premiums written	①	2,740	2,814	74	2.7
(-)	Net claims paid	②	1,831	1,700	(130)	(7.1)
(-)	Loss adjustment expenses	③	126	124	(1)	(1.2)
(-)	Commissions and collection expenses	④	501	524	22	4.5
(-)	Operating expenses and general and administrative expenses for underwriting	⑤	437	454	17	3.9
	Underwriting balance	⑥	(156)	10	166	-
(-)	Provision for outstanding claims	⑦	(46)	(50)	(4)	-
(-)	Provision for ordinary underwriting reserves	⑧	(60)	(16)	43	-
(-)	Provision for catastrophe reserves	⑨	(213)	(65)	148	-
(+)	Other	⑩	(12)	12	24	-
	Underwriting profit/(loss)	⑪	150	154	4	2.8
(+)	Interest and dividends income	⑫	171	236	65	38.2
(-)	Transfer of investment income on deposit premium from policyholders	⑬	52	48	(3)	(6.5)
	Net interest and dividends income ⑫—⑬	⑭	119	187	68	57.9
(+)	Gains/(losses) on sales of securities	⑮	34	64	29	84.7
(-)	Impairment losses on securities	⑯	149	24	(125)	(83.8)
(+)	Gains/(losses) on derivative transactions	⑰	1	3	1	86.0
(+)	Other	⑱	(41)	(19)	22	-
	Investment profit/(loss)	⑲	(35)	211	247	-
(+)	Other ordinary profit/(loss)	⑳	(10)	9	19	-
	Ordinary profit/(loss)	㉑	105	376	270	257.7
(+)	Extraordinary income/(loss):	㉒	10	(4)	(15)	(144.3)
	Reserve for price fluctuation	㉓	13	(4)	(17)	(129.4)
	Income/(loss) before income taxes	㉔	116	371	255	219.6
(-)	Income taxes	㉕	66	99	33	50.1
	Net income/(loss)	㉖	49	271	221	444.7
Ratios	Net loss ratio	㉗	71.4 %	64.9 %	(6.5) %	
	Net expense ratio	㉘	34.3 %	34.8 %	0.5 %	
	Combined ratio	㉙	105.7 %	99.7 %	(6.0) %	

- (Notes) 1. Net loss ratio=((Net claims paid + Loss adjustment expenses)/Net premiums written)×100  
2. Net expense ratio=((Commissions and collection expenses+Operating expenses and general and administrative for underwriting)/Net premiums written)×100  
3. Combined ratio=Net loss ratio + Net expense ratio

#### (Reference) Excluding Residential Earthquake Insurance and CALI

	Net premiums written	⑳	2,383	2,472	88	3.7
Ratios	Net loss ratio	㉑	67.5 %	60.7 %	(6.8) %	
	Net expense ratio	㉒	35.2 %	35.8 %	0.6 %	
	Combined ratio	㉓	102.7 %	96.5 %	(6.2) %	



**(2) Premiums written**

(Yen in 100 millions)

	Net premiums written				Direct premiums written (excluding deposit premiums)			
	Three months ended June 30, 2012		Three months ended June 30, 2013		Three months ended June 30, 2012		Three months ended June 30, 2013	
	Amount	Change ratio %	Amount	Change ratio %	Amount	Change ratio %	Amount	Change ratio %
Fire and allied	256	(9.9)	288	12.6	436	2.1	472	8.3
Marine	25	13.1	28	11.7	25	1.0	25	(1.3)
Personal accident	191	(0.3)	189	(0.6)	203	(0.4)	201	(0.9)
Voluntary automobile	1,636	1.2	1,685	3.0	1,609	2.2	1,644	2.1
CALI	353	14.5	340	(3.7)	427	7.3	447	4.8
Other	277	(0.6)	282	1.8	381	0.5	354	(7.2)
Total	2,740	1.3	2,814	2.7	3,083	2.5	3,145	2.0

**(3) Net claims paid**

(Yen in 100 millions)

	Three months ended June 30, 2012			Three months ended June 30, 2013			
	Amount	Change ratio %	Net loss ratio %	Amount	Change ratio %	Net loss ratio %	Change ratio %
Fire and allied	276	(1.9)	110.6	209	(24.2)	75.2	(35.4)
Marine	12	(15.6)	51.4	17	41.2	63.4	12.0
Personal accident	86	(3.1)	48.6	86	(0.8)	48.4	(0.2)
Voluntary automobile	971	2.2	64.1	946	(2.6)	60.8	(3.3)
CALI	321	3.1	98.8	300	(6.5)	95.6	(3.2)
Other	162	4.8	61.2	140	(13.5)	52.6	(8.6)
Total	1,831	1.5	71.4	1,700	(7.1)	64.9	(6.5)

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

**(Reference) Incurred loss by natural disasters in Japan**

(Yen in 100 millions)

	Three months ended June 30, 2012			Three months ended June 30, 2013		
	Incurred loss	Net claims paid	Outstanding claims	Incurred loss	Net claims paid	Outstanding claims
Fire and allied	109	57	52	10	7	3
Voluntary automobile	17	10	7	1	1	0
Other	2	1	1	1	0	0
Total	129	68	60	13	9	3

(Note) The figures in the above table are related to the natural disasters occurred in Japan during the fiscal year.

Net claims paid including claims related to the natural disasters occurred in Japan in previous years, but excluding the Great East Japan Earthquake, are as follows; (unit: Yen in 100 millions)

80 (Fire:68, Voluntary Auto:10, Other:2) during three months ended June 30, 2012

16 (Fire:13, Voluntary Auto:2, Other:0) during three months ended June 30, 2013

**(Reference) Incurred loss by flooding in Thailand**

(Yen in 100 millions)

	Three months ended June 30, 2012			Three months ended June 30, 2013		
	Incurred loss	Net claims paid	Outstanding claims	Incurred loss	Net claims paid	Outstanding claims
Incurred loss caused by flooding in Thailand	(13)	22	(35)	(16)	7	(24)

(Notes) 1. Outstanding claims indicate increase/decrease in outstanding claims.

2. Incurred loss includes influence of exchange rate fluctuations.

**(4) Company expenses**

&lt; Corporate expenses &gt;

(Yen in 100 millions)

		Three months ended June 30, 2012			Three months ended June 30, 2013		
		Amount	Change	Change ratio %	Amount	Change	Change ratio %
Personnel expenses	①	300	(23)	(7.3)	304	3	1.3
Non personnel	②	253	(21)	(7.7)	263	9	3.8
Taxes and contributions	③	28	(2)	(8.4)	28	0	1.8
Total	④	581	(47)	(7.5)	595	14	2.4

(Note) Corporate expenses = Loss adjustment expenses + Operating expenses and general and administrative expenses

&lt; Expenses for underwriting &gt;

(Yen in 100 millions)

		Three months ended June 30, 2012			Three months ended June 30, 2013		
		Amount	Change	Change ratio %	Amount	Change	Change ratio %
Operating expenses and general and administrative expenses	⑤	437	(42)	(8.9)	454	17	3.9
Commission and collection expenses	⑥	501	1	0.3	524	22	4.5
Total	⑦	938	(41)	(4.2)	978	39	4.2
Net company expense ratio	⑧	34.3 %	(2.0) %		34.8 %	0.5 %	

**(5) Catastrophe reserve**

(Yen in 100 millions)

	March 31, 2013		June 30, 2013			
	Balance	Reserve ratio	Reversal	Provision	Balance	Reserve ratio
Fire and allied	1,096	87.3	56	22	1,062	92.6
Marine	133	139.1	0	1	133	118.8
Personal accident	566	78.7	0	6	572	75.4
Voluntary automobile	207	3.2	104	54	157	2.3
Other	496	50.8	2	14	508	45.0
<b>Total</b>	<b>2,500</b>	<b>26.3</b>	<b>164</b>	<b>99</b>	<b>2,435</b>	<b>24.6</b>

(Notes) 1. Reserve ratio = (Balance of catastrophe reserve / (net premiums written (excluding premiums of Residential earthquake Insurance and CALI) ) ) × 100

2. In case of 1st quarter, reserve ratio as of June 30, 2013 is calculated by using four times of three months net premiums written ended June 30, 2013.

**(6) Balance of investment assets**

(Yen in 100 millions)

	March 31, 2013	June 30, 2013	
			Change
Cash deposits and savings	950	1,081	130
Investments in securities	22,927	23,337	410
Domestic bonds	9,505	9,948	443
Domestic stock	6,620	6,835	215
Foreign securities	6,396	6,132	(264)
Other securities	405	420	15
Loans	2,466	2,288	(178)
Land and buildings	1,755	1,742	(12)
<b>Total</b>	<b>28,099</b>	<b>28,449</b>	<b>349</b>

(Reference)

Long-term investment assets	6,114	6,045	(68)
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**(7) Breakdown of interest and dividends income**

(Yen in 100 millions)

	Three months ended June 30, 2012	Three months ended June 30, 2013	
			Change
Investments in securities	146	213	67
Domestic bonds	22	25	3
Domestic stock	79	98	18
Foreign securities	41	88	47
Other securities	2	1	(1)
Loans	11	9	(2)
Land and buildings	12	11	(0)
Other	0	1	0
<b>Total</b>	<b>171</b>	<b>236</b>	<b>65</b>

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

(Yen in 100 millions)

June 30, 2013	Acquisition cost	Fair value	Difference	Change from March 31, 2013
Domestic bonds	9,743	9,948	205	(178)
Domestic stock	4,313	6,557	2,243	294
Foreign securities	5,549	5,695	146	(76)
Other securities	258	295	37	10
Total	19,864	22,498	2,633	49

(Yen in 100 millions)

March 31, 2013	Acquisition cost	Fair value	Difference
Domestic bonds	9,121	9,505	383
Domestic stock	4,377	6,327	1,949
Foreign securities	5,738	5,961	223
Other securities	258	286	27
Total	19,496	22,080	2,584

(Notes) 1. The above tables describe available-for-sale securities with market values.

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

**Gains and losses on sales of securities**

(Yen in 100 millions)

	Three months ended June 30, 2012 Gains/(losses)	Three months ended June 30, 2013		
		Gains/(losses)	Gains	Losses
Domestic bonds	22	11	12	0
Domestic stock	10	32	32	0
Foreign securities	1	20	23	3
Other securities	-	-	-	-
Total	34	64	68	3

**Impairment losses on securities**

(Yen in 100 millions)

	Three months ended June 30, 2012	Three months ended June 30, 2013	
			Change
Domestic bonds	-	-	-
Domestic stock	132	17	(114)
Foreign securities	11	6	(5)
Other securities	5	-	(5)
Total	149	24	(125)

#### 4. Supplementary Information

##### Supplementary Information on Consolidated Financial Statements

##### 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, 2012			Three months ended June 30, 2013		
	Amount	Share %	Change %	Amount	Share %	Change %
Fire and Allied	128,769	16.4	0.1	139,749	17.0	8.5
Marine	28,976	3.7	(1.1)	32,494	4.0	12.1
Personal Accident	93,653	11.9	(4.5)	89,634	10.9	(4.3)
Voluntary Automobile	341,119	43.3	3.4	353,962	43.1	3.8
CALI	81,918	10.4	9.1	86,675	10.6	5.8
Other	112,259	14.3	0.6	117,979	14.4	5.1
<b>Total</b>	<b>786,697</b>	<b>100.0</b>	<b>1.8</b>	<b>820,496</b>	<b>100.0</b>	<b>4.3</b>
Deposit premiums from policyholders	42,093	5.4	(12.5)	36,375	4.4	(13.6)

<Excluding the GRR premiums of the automobile insurance "ModoRich">

Voluntary Automobile	341,718		3.4	353,677		3.5
<b>Total</b>	<b>787,296</b>		<b>1.8</b>	<b>820,211</b>		<b>4.2</b>

##### Net Premiums Written by Line of Insurance

(Yen in millions)

Lines of Insurance	Three months ended June 30, 2012			Three months ended June 30, 2013		
	Amount	Share %	Change %	Amount	Share %	Change %
Fire and Allied	72,129	11.0	(13.2)	83,700	12.1	16.0
Marine	22,280	3.4	(5.4)	25,339	3.7	13.7
Personal Accident	59,232	9.0	2.1	59,693	8.6	0.8
Voluntary Automobile	341,971	52.0	2.9	356,276	51.6	4.2
CALI	71,297	10.8	16.6	69,495	10.1	(2.5)
Other	90,766	13.8	0.5	96,205	13.9	6.0
<b>Total</b>	<b>657,677</b>	<b>100.0</b>	<b>1.4</b>	<b>690,709</b>	<b>100.0</b>	<b>5.0</b>

<Excluding the GRR premiums of the automobile insurance "ModoRich">

Voluntary Automobile	342,570		2.9	355,990		3.9
<b>Total</b>	<b>658,276</b>		<b>1.4</b>	<b>690,424</b>		<b>4.9</b>

##### Net Claims Paid by Line of Insurance

(Yen in millions)

Lines of Insurance	Three months ended June 30, 2012			Three months ended June 30, 2013		
	Amount	Share %	Change %	Amount	Share %	Change %
Fire and Allied	87,615	19.9	26.2	67,109	16.1	(23.4)
Marine	10,227	2.3	(20.2)	11,230	2.7	9.8
Personal Accident	28,471	6.5	1.1	29,596	7.1	4.0
Voluntary Automobile	204,069	46.3	1.1	199,474	47.9	(2.3)
CALI	66,360	15.1	2.7	62,210	15.0	(6.3)
Other	43,634	9.9	5.1	46,737	11.2	7.1
<b>Total</b>	<b>440,379</b>	<b>100.0</b>	<b>5.3</b>	<b>416,358</b>	<b>100.0</b>	<b>(5.5)</b>

(Note) The figures in the above tables are those after the off-set of intersegment transactions.

## Available-for-sale securities

(Yen in millions)

Items	March 31, 2013			June 30, 2013		
	Cost	Carrying amount	Difference	Cost	Carrying amount	Difference
Domestic Bonds	3,913,187	4,145,642	232,454	4,026,845	4,163,430	136,585
Domestic Stock	1,243,047	2,208,611	965,564	1,224,531	2,370,423	1,145,892
Foreign Securities	1,190,967	1,271,389	80,421	1,224,222	1,295,037	70,814
Other Securities	142,278	151,116	8,838	170,804	178,676	7,872
Total	6,489,481	7,776,760	1,287,278	6,646,403	8,007,569	1,361,165

March 31, 2013	June 30, 2013
<p>1. Available-for-sale securities without readily determinable fair value are not included in the above table.</p> <p>2. "Other Securities" includes certificates of deposit recorded as Cash, deposits and savings, and commercial papers and loan receivable trust beneficiary certificates recorded as Monetary claims bought on the consolidated balance sheets.</p> <p>3. The Company and its consolidated subsidiaries recognized impairment losses of ¥34,030 million on Available-for-sale securities excluding those without readily determinable fair value (comprised of ¥32,608 million on Domestic stock, ¥1,422 million on Foreign securities and ¥0 million on Other securities). In principle, the Company and its domestic consolidated subsidiaries recognize impairment losses on securities with fair value if the fair value declines by 30% or more from the cost.</p>	<p>1. Available-for-sale securities without readily determinable fair value are not included in the above table.</p> <p>2. "Other Securities" includes certificates of deposit recorded as Cash, deposits and savings, and commercial papers and loan receivable trust beneficiary certificates recorded as Monetary claims bought on the consolidated balance sheets.</p> <p>3. The Company and its consolidated subsidiaries recognized impairment losses of ¥753 million on Available-for-sale securities excluding those without readily determinable fair value (comprised of ¥695 million on Domestic stock and ¥57 million on Foreign securities). In principle, the Company and its domestic consolidated subsidiaries recognize impairment losses on securities with fair value if the fair value declines by 30% or more from the cost.</p>

Summary of Results of Main Consolidated Subsidiaries

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

Non-Consolidated Balance Sheets

(Yen in millions)

Items	Year ended March 31, 2013	Three months ended June 30, 2013
<b>(Assets)</b>		
Cash, deposits and savings	188,886	138,605
Call loans	69,000	77,000
Receivables under resale agreements	48,545	99,887
Monetary claims bought	83,966	127,437
Money trusts	9,978	10,462
Investments in securities	4,117,917	4,209,938
Loans	576,032	571,737
Tangible fixed assets	241,916	238,189
Intangible fixed assets	43,316	44,506
Other assets	487,529	442,707
Customers' liabilities under acceptances and guarantees	39,825	44,954
Bad debts reserve	(5,500)	(6,642)
<b>Total assets</b>	<b>5,901,413</b>	<b>5,998,783</b>
<b>(Liabilities)</b>		
Policy liabilities:	3,981,659	3,944,269
Outstanding claims	643,869	632,849
Underwriting reserves	3,337,789	3,311,420
Bonds issued	241,176	241,178
Other liabilities:	298,674	314,561
Income taxes payable	4,652	18,354
Lease obligations	2,064	2,232
Asset retirement obligations	5,128	5,156
Other liabilities	286,829	288,817
Reserve for pension and retirement benefits	87,390	140,313
Reserve for retirement benefits for officers	1,257	1,186
Accrued bonuses for employees	10,588	84
Reserves under the special laws:	5,151	5,782
Reserve for price fluctuation	5,151	5,782
Deferred tax liabilities	43,610	54,269
Acceptances and guarantees	39,825	44,954
<b>Total liabilities</b>	<b>4,709,334</b>	<b>4,746,601</b>
<b>(Net assets)</b>		
Shareholders' equity:		
Common stock	139,595	139,595
Capital surplus	93,107	93,107
Retained earnings	244,565	242,845
Total shareholders' equity	477,268	475,548
Valuation and translation adjustments:		
Net unrealized gains/(losses) on investments in securities	688,381	757,659
Net deferred gains/(losses) on hedges	26,428	18,973
Total valuation and translation adjustments	714,810	776,633
<b>Total net assets</b>	<b>1,192,079</b>	<b>1,252,182</b>
<b>Total liabilities and net assets</b>	<b>5,901,413</b>	<b>5,998,783</b>

**Non-Consolidated Statements of Income**

(Yen in millions)

Items	Three months ended June 30, 2012	Three months ended June 30, 2013
	Amount	Amount
<b>Ordinary income:</b>	<b>482,500</b>	<b>464,024</b>
<b>Underwriting income:</b>	<b>454,230</b>	<b>412,667</b>
Net premiums written	323,532	337,713
Deposit premiums from policyholders	31,283	27,133
Investment income on deposit premiums from policyholders	11,414	10,404
Reversal of outstanding claims	18,477	11,020
Reversal of underwriting reserves	69,494	26,369
<b>Investment income:</b>	<b>27,579</b>	<b>50,760</b>
Interest and dividends income	33,808	40,328
Investment gains on money trusts	0	184
Gains on sales of securities	2,441	15,426
Gains on derivative transactions	2,542	4,281
Transfer of investment income on deposit premiums from policyholders	(11,414)	(10,404)
<b>Other ordinary income</b>	<b>690</b>	<b>596</b>
<b>Ordinary expenses:</b>	<b>472,161</b>	<b>397,327</b>
<b>Underwriting expenses:</b>	<b>380,146</b>	<b>340,393</b>
Net claims paid	223,652	208,903
Loss adjustment expenses	19,103	18,507
Commission and collection expenses	58,577	60,786
Maturity refunds to policyholders	75,083	50,920
<b>Investment expenses:</b>	<b>38,059</b>	<b>2,203</b>
Investment losses on money trusts	95	-
Losses on sales of securities	79	399
Impairment losses on securities	26,785	581
<b>Operating expenses and general and administrative expenses</b>	<b>52,120</b>	<b>51,766</b>
<b>Other ordinary expenses:</b>	<b>1,834</b>	<b>2,964</b>
Interest expense	1,807	1,785
<b>Ordinary profit/(loss)</b>	<b>10,339</b>	<b>66,697</b>
<b>Extraordinary income</b>	<b>2,412</b>	<b>29</b>
<b>Extraordinary losses</b>	<b>848</b>	<b>915</b>
<b>Income/(loss) before income taxes</b>	<b>11,904</b>	<b>65,811</b>
<b>Income taxes</b>	<b>1,404</b>	<b>16,975</b>
<b>Net income/(loss)</b>	<b>10,500</b>	<b>48,836</b>

**Solvency Margin Ratio (Non-Consolidated)**

Insurance companies running their business in Japan calculate 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, 1996.

While insurance companies set aside reserves to provide for payment of insurance claims should an insured event occur, they are also required to maintain sufficient funds to pay out in the event of a situation outside the normal range of expectations such as a major catastrophe or a significant drop in the value of the assets that they hold.

The Non-consolidated solvency margin ratio (item (C) in each table below) is an indicator of an insurer's ability to pay, which is calculated, as prescribed in the Insurance Business Law, based on its percentage holdings of capital and other reserves (i.e., the total Non-consolidated solvency margin as indicated by (A) in each table below) against the total Non-consolidated risk (item (B) in each table below), which indicates hazard beyond the normal range of expectations.

The Non-consolidated solvency margin ratio is one of the objective indicators used by the insurance regulatory authorities to supervise insurance companies. If this ratio is 200% or higher, the insurance company is judged to have the ability to satisfy claims and other payment requirements.

(Yen in millions)

	March 31, 2013	June 30, 2013
(A) Total amount of solvency margin	1,958,579	2,054,645
Total net assets	462,870	475,548
Reserve for price fluctuation	5,151	5,782
Contingency reserve	-	-
Catastrophe reserve	412,208	399,174
General bad debts reserve	1,093	1,620
Net unrealized gains/(losses) on investments in securities (Prior to tax effect deductions)	896,469	985,878
Net unrealized gains/(losses) on land	33,406	33,492
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	43,152	43,122
Others	84,341	90,078
(B) Total amount of risks $\sqrt{(R_1 + R_2)^2 + (R_3 + R_4)^2} + R_5 + R_6$	673,800	689,857
General insurance risk (R <sub>1</sub> )	111,582	111,545
Third sector insurance risk (R <sub>2</sub> )	-	-
Assumed interest risk (R <sub>3</sub> )	20,420	20,152
Asset management risk (R <sub>4</sub> )	499,540	523,487
Business administration risk (R <sub>5</sub> )	15,167	15,491
Catastrophe risk (R <sub>6</sub> )	126,834	119,399
(C) Solvency margin ratio [(A)/{(B)×1/2}]×100	581.3%	595.6%

(Note) Some risks as of June 30, 2013 such as Catastrophe risk (R<sub>6</sub>) are calculated using simplified methods.



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

**Non-Consolidated Balance Sheets**

(Yen in millions)

Items	Year ended March 31, 2013	Three months ended June 30, 2013
<b>(Assets)</b>		
Cash, deposits and savings	92,013	105,085
Monetary claims bought	977	855
Money trusts	2,128	2,221
Investments in securities	2,292,734	2,333,755
Loans	246,684	228,830
Tangible fixed assets	185,771	185,968
Intangible fixed assets	29,971	34,952
Other assets	280,099	259,441
Deferred tax assets	106,449	101,897
Customers' liabilities under acceptances and guarantees	2,500	2,500
Bad debts reserve	(2,479)	(2,409)
<b>Total assets</b>	<b>3,236,851</b>	<b>3,253,097</b>
<b>(Liabilities)</b>		
Policy liabilities:	2,422,522	2,402,543
Outstanding claims	473,220	468,154
Underwriting reserves	1,949,302	1,934,389
Bonds issued	50,000	50,000
Other liabilities:	182,421	198,908
Income taxes payable	2,630	10,144
Lease obligations	212	293
Asset retirement obligations	528	534
Other liabilities	179,050	187,936
Reserve for pension and retirement benefits	19,313	14,281
Accrued bonuses for employees	6,064	193
Reserves under the special laws:	1,624	2,024
Reserve for price fluctuation	1,624	2,024
Acceptances and guarantees	2,500	2,500
<b>Total liabilities</b>	<b>2,684,446</b>	<b>2,670,452</b>
<b>(Net assets)</b>		
Shareholders' equity:		
Common stock	100,005	100,005
Capital surplus	81,210	81,210
Retained earnings	191,575	217,366
Total shareholders' equity	372,790	398,581
Valuation and translation adjustments:		
Net unrealized gains/(losses) on investments in securities	179,614	184,064
Total valuation and translation adjustments	179,614	184,064
<b>Total net assets</b>	<b>552,405</b>	<b>582,645</b>
<b>Total liabilities and net assets</b>	<b>3,236,851</b>	<b>3,253,097</b>

**Non-Consolidated Statements of Income**

(Yen in millions)

Items	Three months ended June 30, 2012	Three months ended June 30, 2013
	Amount	Amount
<b>Ordinary income:</b>	<b>349,967</b>	<b>343,453</b>
<b>Underwriting income:</b>	<b>332,630</b>	<b>316,880</b>
Net premiums written	274,059	281,492
Deposit premiums from policyholders	10,810	9,242
Investment income on deposit premiums from policyholders	5,235	4,895
Reversal of outstanding claims	4,608	5,066
Reversal of underwriting reserves	37,797	14,912
<b>Investment income:</b>	<b>16,762</b>	<b>26,038</b>
Interest and dividends income	17,142	23,695
Investment gains on money trusts	0	0
Gains on sales of securities	4,659	6,833
Gains on derivative transactions	172	321
Transfer of investment income on deposit premiums from policyholders	(5,235)	(4,895)
<b>Other ordinary income</b>	<b>573</b>	<b>534</b>
<b>Ordinary expenses:</b>	<b>339,454</b>	<b>305,852</b>
<b>Underwriting expenses:</b>	<b>274,361</b>	<b>254,992</b>
Net claims paid	183,171	170,094
Loss adjustment expenses	12,641	12,492
Commission and collection expenses	50,162	52,424
Maturity refunds to policyholders	25,042	19,514
<b>Investment expenses:</b>	<b>18,793</b>	<b>3,483</b>
Losses on sales of securities	1,169	387
Impairment losses on securities	14,951	2,428
<b>Operating expenses and general and administrative expenses</b>	<b>45,546</b>	<b>47,100</b>
<b>Other ordinary expenses:</b>	<b>753</b>	<b>275</b>
Interest expense	0	188
<b>Ordinary profit/(loss)</b>	<b>10,512</b>	<b>37,600</b>
<b>Extraordinary income</b>	<b>1,454</b>	<b>25</b>
<b>Extraordinary losses</b>	<b>356</b>	<b>511</b>
<b>Income/(loss) before income taxes</b>	<b>11,610</b>	<b>37,113</b>
<b>Income taxes</b>	<b>6,621</b>	<b>9,937</b>
<b>Net income/(loss)</b>	<b>4,989</b>	<b>27,176</b>

**Solvency Margin Ratio (Non-Consolidated)**

(Yen in millions)

	March 31, 2013	June 30, 2013
(A) Total amount of solvency margin	965,962	1,014,944
Total net assets	365,590	398,581
Reserve for price fluctuation	1,624	2,024
Contingency reserve	693	693
Catastrophe reserve	257,920	251,590
General bad debts reserve	379	382
Net unrealized gains/(losses) on investments in securities (Prior to tax effect deductions)	233,054	238,839
Net unrealized gains/(losses) on land	2,719	2,749
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	11,403	9,924
Others	65,383	80,007
(B) Total amount of risks $\sqrt{(R_1 + R_2)^2 + (R_3 + R_4)^2} + R_5 + R_6$	297,599	285,566
General insurance risk (R <sub>1</sub> )	102,694	102,660
Third sector insurance risk (R <sub>2</sub> )	-	-
Assumed interest risk (R <sub>3</sub> )	10,421	10,268
Asset management risk (R <sub>4</sub> )	169,412	173,921
Business administration risk (R <sub>5</sub> )	7,314	7,089
Catastrophe risk (R <sub>6</sub> )	83,193	67,610
(C) Solvency margin ratio [(A)/{(B)×1/2}]×100	649.1%	710.8%

(Note) Some risks as of June 30, 2013 such as Catastrophe risk (R<sub>6</sub>) are calculated using simplified methods.

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

**Non-Consolidated Balance Sheets**

(Yen in millions)

Items	Year ended March 31, 2013	Three months ended June 30, 2013
<b>(Assets)</b>		
Cash, deposits and savings	3,541	3,253
Investments in securities	33,674	34,554
Tangible fixed assets	308	288
Intangible fixed assets	1,960	1,828
Other assets	6,115	5,398
Bad debts reserve	(3)	(2)
<b>Total assets</b>	<b>45,596</b>	<b>45,320</b>
<b>(Liabilities)</b>		
Policy liabilities:	33,135	32,184
Outstanding claims	13,593	13,353
Underwriting reserves	19,541	18,831
Other liabilities:	1,092	886
Income taxes payable	135	59
Asset retirement obligations	12	12
Other liabilities	945	814
Accrued bonuses for employees	209	-
Reserves under the special laws:	27	28
Reserve for price fluctuation	27	28
Deferred tax liabilities	51	24
<b>Total liabilities</b>	<b>34,516</b>	<b>33,124</b>
<b>(Net assets)</b>		
Shareholders' equity:		
Common stock	32,600	32,600
Capital surplus	2,500	2,500
Retained earnings	(24,286)	(23,111)
Total shareholders' equity	10,183	11,988
Valuation and translation adjustments:		
Net unrealized gains/(losses) on investments in securities	267	208
Total valuation and translation adjustments	267	208
<b>Total net assets</b>	<b>11,080</b>	<b>12,196</b>
<b>Total liabilities and net assets</b>	<b>45,596</b>	<b>45,320</b>

**Non-Consolidated Statements of Income**

(Yen in millions)

Items	Three months ended June 30, 2012	Three months ended June 30, 2013
	Amount	Amount
<b>Ordinary income:</b>	<b>9,887</b>	<b>9,953</b>
<b>Underwriting income:</b>	<b>9,846</b>	<b>9,919</b>
Net premiums written	8,936	8,965
Investment income on deposit premiums from policyholders	3	3
Reversal of outstanding claims	361	240
Reversal of underwriting reserves	544	710
<b>Investment income:</b>	<b>40</b>	<b>32</b>
Interest and dividends income	43	35
Transfer of investment income on deposit premiums from policyholders	(3)	(3)
<b>Other ordinary income</b>	<b>1</b>	<b>1</b>
<b>Ordinary expenses:</b>	<b>8,639</b>	<b>8,764</b>
<b>Underwriting expenses:</b>	<b>6,797</b>	<b>6,854</b>
Net claims paid	6,193	6,209
Loss adjustment expenses	550	593
Commission and collection expenses	54	51
<b>Investment expenses</b>	<b>-</b>	<b>-</b>
<b>Operating expenses and general and administrative expenses</b>	<b>1,840</b>	<b>1,909</b>
<b>Other ordinary expenses</b>	<b>1</b>	<b>0</b>
<b>Ordinary profit/(loss)</b>	<b>1,247</b>	<b>1,188</b>
<b>Extraordinary income</b>	<b>-</b>	<b>-</b>
<b>Extraordinary losses</b>	<b>1</b>	<b>1</b>
<b>Income/(loss) before income taxes</b>	<b>1,246</b>	<b>1,187</b>
<b>Income taxes - current</b>	<b>13</b>	<b>12</b>
<b>Total income taxes</b>	<b>13</b>	<b>12</b>
<b>Net income/(loss)</b>	<b>1,233</b>	<b>1,175</b>

**Solvency Margin Ratio (Non-Consolidated)**

(Yen in millions)

	March 31, 2013	June 30, 2013
(A) Total amount of solvency margin	12,324	12,597
Total net assets	10,813	11,988
Reserve for price fluctuation	27	28
Contingency reserve	0	0
Catastrophe reserve	1,133	307
General bad debts reserve	0	0
Net unrealized gains/(losses) on investments in securities (Prior to tax effect deductions)	349	271
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 $\sqrt{(R_1 + R_2)^2 + (R_3 + R_4)^2} + R_5 + R_6$	5,740	5,742
General insurance risk (R <sub>1</sub> )	5,233	5,233
Third sector insurance risk (R <sub>2</sub> )	-	-
Assumed interest risk (R <sub>3</sub> )	0	0
Asset management risk (R <sub>4</sub> )	511	525
Business administration risk (R <sub>5</sub> )	181	181
Catastrophe risk (R <sub>6</sub> )	300	300
(C) Solvency margin ratio [(A)/{(B)×1/2}]×100	429.4%	438.7%

(Note) Some risks as of June 30, 2013 such as Assumed interest risk (R<sub>3</sub>) are calculated using simplified methods.

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

**Non-Consolidated Balance Sheets**

(Yen in millions)

Items	Year ended March 31, 2013	Three months ended June 30, 2013
<b>(Assets)</b>		
Cash, deposits and savings	23,815	15,705
Call loans	707	376
Receivables under securities borrowing transactions	224,025	206,263
Investments in securities	2,102,671	2,117,128
Loans	47,656	48,179
Tangible fixed assets	2,224	2,060
Intangible fixed assets	3,297	3,867
Due from agencies	274	220
Reinsurance accounts receivable	265	19
Other assets	31,428	32,592
Bad debts reserve	(102)	(102)
<b>Total assets</b>	<b>2,436,264</b>	<b>2,426,311</b>
<b>(Liabilities)</b>		
Policy liabilities:	2,045,655	2,089,287
Outstanding claims	19,423	20,509
Underwriting reserves	2,019,481	2,061,683
Reserve for dividends to policyholders	6,750	7,094
Due to agencies	5,854	3,735
Reinsurance accounts payable	213	158
Other liabilities:	234,383	212,429
Payables under securities lending transactions	224,733	206,631
Income taxes payable	315	1,098
Lease obligations	1,010	965
Asset retirement obligations	174	174
Other liabilities	8,149	3,559
Reserve for pension and retirement benefits	1,437	1,394
Reserve for retirement benefits for officers	59	57
Reserves under the special laws:	3,406	3,520
Reserve for price fluctuation	3,406	3,520
Deferred tax liabilities	13,010	3,280
<b>Total liabilities</b>	<b>2,304,020</b>	<b>2,313,863</b>
<b>(Net assets)</b>		
Shareholders' equity:		
Common stock	35,500	35,500
Capital surplus	43,688	43,688
Retained earnings	(15,672)	(13,452)
Total shareholders' equity	63,515	65,735
Valuation and translation adjustments:		
Net unrealized gains/(losses) on investments in securities	68,727	46,712
Total valuation and translation adjustments	68,727	46,712
<b>Total net assets</b>	<b>132,243</b>	<b>112,447</b>
<b>Total liabilities and net assets</b>	<b>2,436,264</b>	<b>2,426,311</b>

**Non-Consolidated Statements of Income**

(Yen in millions)

Items	Three months ended June 30, 2012	Three months ended June 30, 2013
	Amount	Amount
<b>Ordinary income:</b>	<b>106,686</b>	<b>106,879</b>
<b>Insurance premiums and other:</b>	<b>95,821</b>	<b>96,272</b>
Insurance premiums	95,679	96,243
<b>Investment income:</b>	<b>10,629</b>	<b>10,377</b>
Interest and dividends income	8,392	9,002
Gains on sales of securities	2,234	1,374
<b>Other ordinary income</b>	<b>235</b>	<b>229</b>
<b>Ordinary expenses:</b>	<b>103,648</b>	<b>101,717</b>
<b>Insurance claims and other:</b>	<b>40,889</b>	<b>39,641</b>
Insurance claims	10,795	10,400
Annuity payments	2,008	2,023
Benefits	2,550	2,787
Surrender benefits	24,939	23,560
Other refunds	374	569
<b>Provision for underwriting reserves and other:</b>	<b>43,801</b>	<b>43,288</b>
Provision for outstanding claims	947	1,086
Provision for underwriting reserves	42,852	42,202
Provision for reserves for interest portion of dividends to policyholders	0	0
<b>Investment expenses:</b>	<b>78</b>	<b>163</b>
Interest expense	68	74
Losses on sales of securities	2	81
<b>Operating expenses</b>	<b>17,267</b>	<b>16,920</b>
<b>Other ordinary expenses</b>	<b>1,611</b>	<b>1,702</b>
<b>Ordinary profit/(loss)</b>	<b>3,038</b>	<b>5,162</b>
<b>Extraordinary income</b>	<b>0</b>	<b>1</b>
<b>Extraordinary losses</b>	<b>99</b>	<b>124</b>
<b>Provision for reserves for dividends to policyholders</b>	<b>2,144</b>	<b>1,822</b>
<b>Income/(loss) before income taxes</b>	<b>794</b>	<b>3,217</b>
<b>Income taxes</b>	<b>332</b>	<b>1,079</b>
<b>Net income/(loss)</b>	<b>462</b>	<b>2,137</b>



**Results for the Three Months Ended June 30, 2013****Amount of Policies in Force and New Policies**

(1) Amount of policies in force

(Yen in millions)

	March 31, 2013		June 30, 2013	
	Number of policies (in thousands)	Amount	Number of policies (in thousands)	Amount
Individual Insurance	2,262	19,317,482	2,284	19,514,779
Individual Annuities	183	757,139	184	772,699
Group Insurance	—	5,165,629	—	4,898,418
Group Annuities	—	429	—	419

(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 payments have not yet commenced and (b) the policy reserves for the policies for which payments have commenced.

2. The amounts of group annuities represent the policy reserves.

(2) Amount of new policies

(Yen in millions)

	Three months ended June 30, 2012				Three months ended June 30, 2013			
	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	75	945,556	945,556	-	53	599,337	599,337	-
Individual Annuities	3	16,838	16,838	-	2	25,778	25,778	-
Group Insurance	—	672,307	672,307	—	—	16,915	16,915	—
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, 2013	June 30, 2013
Individual Insurance	274,863	276,675
Individual Annuities	42,614	43,396
Total:	317,478	320,072
Medical coverage, living benefits, etc.	55,193	56,029

(2) New policies

(Yen in millions)

	Three months ended June 30, 2012	Three months ended June 30, 2013
Individual Insurance	8,508	7,622
Individual Annuities	931	1,303
Total:	9,440	8,925
Medical coverage, living benefits, etc.	1,490	1,711

(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." shows 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.).

**Summary of Non-Consolidated Results of Operations**

(Yen in millions)

	Three months ended June 30, 2012	Three months ended June 30, 2013	Change
Fundamental revenues:	104,451	105,506	1,054
Insurance premiums and others	95,821	96,272	450
Fundamental expenses	103,257	101,635	(1,621)
Fundamental profit	1,194	3,871	2,676
Capital gains/(losses)	2,230	1,292	(938)
Non-recurring gains/(losses)	(387)	(2)	385
Ordinary profit/(loss)	3,038	5,162	2,124
Extraordinary income	0	1	1
Extraordinary losses	99	124	24
Provision for reserve for dividends to policyholders	2,144	1,822	(321)
Income taxes	332	1,079	747
Net income/(loss)	462	2,137	1,674

**Solvency Margin Ratio (Non-Consolidated)**

(Yen in millions)

	March 31, 2013	June 30, 2013
(A) Total amount of solvency margin	267,498	243,482
Total capital	63,515	65,735
Reserve for price fluctuation	3,406	3,520
Contingency reserve	21,800	21,800
General bad debts reserve	39	36
Net unrealized gains/(losses) on investments in securities×90%	89,295	60,691
Net unrealized gains/(losses) on land×85%	-	-
Excess of continued Zillmerized reserve (a)	121,422	123,934
Subordinated debt, etc. (b)	-	-
Amount excluded from the margin, out of (a) and (b)	(32,340)	(32,557)
Brought in capital	-	-
Deductions	-	-
Others	359	320
(B) Total amount of risks $\sqrt{(R_1 + R_8)^2 + (R_2 + R_3 + R_7)^2} + R_4$	40,845	40,525
Insurance risk (R <sub>1</sub> )	13,818	13,744
Third sector insurance risk (R <sub>8</sub> )	4,913	4,933
Assumed interest risk (R <sub>2</sub> )	2,922	2,935
Asset management risk (R <sub>3</sub> )	31,567	31,232
Minimum guarantee risk (R <sub>7</sub> )	-	-
Business administration risk (R <sub>4</sub> )	1,596	1,585
(C) Solvency margin ratio [(A)/{(B)×1/2}]×100	1,309.8%	1,201.6%

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

**Non-Consolidated Balance Sheets**

(Yen in millions)

Items	Year ended March 31, 2013	Three months ended June 30, 2013
<b>(Assets)</b>		
Cash, deposits and savings:	37,291	18,127
Call loans	30,002	7,122
Money trusts	886,301	817,227
Investments in securities	2,777,814	2,812,711
Loans	529	510
Tangible fixed assets	1,099	1,052
Intangible fixed assets	4,042	4,077
Reinsurance accounts receivable	90	351
Other assets	5,489	10,759
Deferred tax assets	22,914	23,068
<b>Total assets</b>	<b>3,765,574</b>	<b>3,695,008</b>
<b>(Liabilities)</b>		
Policy liabilities:	3,645,909	3,577,491
Outstanding claims	12,942	11,767
Underwriting reserves	3,632,967	3,565,723
Due to Agencies	2,858	2,875
Reinsurance accounts payable	1,732	2,352
Other liabilities:	20,045	11,078
Income taxes payable	12,829	-
Lease obligations	839	795
Asset retirement obligations	123	123
Other liabilities	6,253	10,159
Reserves under the special laws:	23,743	23,971
Reserve for price fluctuation	23,743	23,971
<b>Total liabilities</b>	<b>3,694,290</b>	<b>3,617,769</b>
<b>(Net assets)</b>		
Shareholders' equity:		
Common stock	41,060	41,060
Capital surplus	24,735	24,735
Retained earnings	4,740	11,040
Total shareholders' equity	70,535	76,835
Valuation and translation adjustments:		
Net unrealized gains/(losses) on investments in securities	748	403
Total valuation and translation adjustments	748	403
<b>Total net assets</b>	<b>71,284</b>	<b>77,239</b>
<b>Total liabilities and net assets</b>	<b>3,765,574</b>	<b>3,695,008</b>

**Non-Consolidated Statements of Income**

(Yen in millions)

Items	Three months ended June 30, 2012	Three months ended June 30, 2013
	Amount	Amount
<b>Ordinary income:</b>	<b>211,777</b>	<b>294,335</b>
<b>Insurance premiums and other:</b>	<b>77,347</b>	<b>122,878</b>
Insurance premiums	75,229	121,816
<b>Investment income:</b>	<b>78</b>	<b>102,439</b>
Interest and dividends income	78	385
Gains on sales of securities	-	0
Investment gains on separate accounts	-	102,053
<b>Other ordinary income:</b>	<b>134,351</b>	<b>69,017</b>
Reversal of outstanding claims	975	1,174
Reversal of underwriting reserves	132,938	67,243
<b>Ordinary expenses:</b>	<b>205,215</b>	<b>284,580</b>
<b>Insurance claims and other:</b>	<b>52,940</b>	<b>236,130</b>
Insurance claims	10,486	14,241
Annuity payments	10,378	11,639
Benefits	14,478	49,110
Surrender benefits	11,346	153,792
Other refunds	284	276
<b>Investment expenses:</b>	<b>145,594</b>	<b>38,232</b>
Interest expense	0	0
Investment losses on money trusts	18,210	35,951
Investment losses on separate accounts	127,080	-
<b>Operating expenses</b>	<b>6,290</b>	<b>9,193</b>
<b>Other ordinary expenses</b>	<b>389</b>	<b>1,024</b>
<b>Ordinary profit/(loss)</b>	<b>6,561</b>	<b>9,754</b>
<b>Extraordinary income</b>	-	-
<b>Extraordinary losses</b>	<b>179</b>	<b>228</b>
<b>Income/(loss) before income taxes</b>	<b>6,382</b>	<b>9,525</b>
<b>Income taxes</b>	<b>2,338</b>	<b>3,225</b>
<b>Net income/(loss)</b>	<b>4,043</b>	<b>6,299</b>

**Results for the Three Months Ended June 30, 2013****Amount of Policies in Force and New Policies**

## (1) Amount of policies in force

(Yen in millions)

	March 31, 2013		June 30, 2013	
	Number of policies (in thousands)	Amount	Number of policies (in thousands)	Amount
Individual Insurance	67	465,049	73	477,997
Individual Annuities	413	3,196,405	397	3,106,514
Group Insurance	—	-	—	-
Group Annuities	—	-	—	-

(Note) The amounts of individual annuities represent the total sum of (a) the funds (the premium reserves in the case of individual variable annuities) to be held at the time annuity payments are to commence for the policies for which payments have not yet commenced and (b) the policy reserves for the policies for which payments have commenced.

## (2) Amount of new policies

(Yen in millions)

	Three months ended June 30, 2012				Three months ended June 30, 2013			
	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	7	33,723	33,723	-	14	80,225	80,225	-
Individual Annuities	6	37,516	37,516	-	5	35,319	35,319	-
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 contract in the case of individual variable annuities).

**Annualized Premiums**

## (1) Policies in force

(Yen in millions)

	March 31, 2013	June 30, 2013
Individual Insurance	31,509	32,352
Individual Annuities	402,731	386,664
Total:	434,240	419,017
Medical coverage, living benefits, etc.	104	109

## (2) New policies

(Yen in millions)

	Three months ended June 30, 2012	Three months ended June 30, 2013
Individual Insurance	2,197	5,288
Individual Annuities	24,811	28,519
Total:	27,008	33,808
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." shows 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.).

**Summary of Non-Consolidated Results of Operations**

(Yen in millions)

	Three months ended June 30, 2012	Three months ended June 30, 2013	Change
Fundamental revenues:	220,662	303,975	83,312
Insurance premiums and others	77,347	122,878	45,530
Fundamental expenses	213,517	287,152	73,635
Fundamental profit	7,144	16,822	9,677
Capital gains/(losses)	237	(6,479)	(6,717)
Non-recurring gains/(losses)	(820)	(588)	232
Ordinary profit/(loss)	6,561	9,754	3,192
Extraordinary income	-	-	-
Extraordinary losses	179	228	49
Provision for reserve for dividends to policyholders	-	-	-
Income taxes	2,338	3,225	886
Net income/(loss)	4,043	6,299	2,256

**Solvency Margin Ratio (Non-Consolidated)**

(Yen in millions)

	March 31, 2013	June 30, 2013
(A) Total amount of solvency margin	267,510	270,014
Total capital	70,535	76,835
Reserve for price fluctuation	23,743	23,971
Contingency reserve	46,722	47,310
General bad debts reserve	-	-
Net unrealized gains/(losses) on investments in securities×90%	973	525
Net unrealized gains/(losses) on land×85%	-	-
Excess of continued Zillmerized reserve (a)	123,427	116,462
Subordinated debt, etc. (b)	-	-
Amount excluded from the margin, out of (a) and (b)	-	-
Brought in capital	-	-
Deductions	-	-
Others	2,107	4,909
(B) Total amount of risks $\sqrt{(R_1 + R_8)^2 + (R_2 + R_3 + R_7)^2} + R_4$	60,516	55,838
Insurance risk (R <sub>1</sub> )	53	45
Third sector insurance risk (R <sub>8</sub> )	16	15
Assumed interest risk (R <sub>2</sub> )	15,199	13,848
Asset management risk (R <sub>3</sub> )	22,753	21,662
Minimum guarantee risk (R <sub>7</sub> )	21,375	19,232
Business administration risk (R <sub>4</sub> )	1,187	1,096
(C) Solvency margin ratio [(A)/{(B)×1/2}]×100	884.0%	967.1%