

[Translation]

**SUMMARY OF FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2013**

May 20, 2013

Name of Listed Company: **MS&AD Insurance Group Holdings, Inc.**
 Securities Code No.: 8725
 Stock Exchanges: Tokyo, Osaka, Nagoya
 URL: <http://www.ms-ad-hd.com>
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Date of Ordinary General Meeting of Shareholders: June 26, 2013
 Date of filing of Financial Report: June 26, 2013
 Date of starting payment of year-end dividends: June 27, 2013
 Supplementary information for financial statements: Available
 IR Conference (for institutional investors and analysts): Yes

(Note) Amounts of less than one million yen are truncated.

1. Consolidated Business Results for the Year Ended March 31, 2013 (April 1, 2012 to March 31, 2013)

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

	Ordinary income		Ordinary profit/(loss)		Net income/(loss)	
Year ended March 31, 2013	4,315,787	14.6 %	150,300	- %	83,625	- %
Year ended March 31, 2012	3,764,986	10.6 %	(96,211)	- %	(169,469)	- %

Percent figures represent changes from the preceding fiscal year.

(Note) Comprehensive income: ¥ 543,938 million for the year ended March 31, 2013 -%
 (¥ 88,136 million) for the year ended March 31, 2012 -%

	Net income/(loss) per share - Basic	Net income/(loss) per share - Diluted	Return on equity	Ordinary profit to Total assets	Ordinary profit to Ordinary income
Year ended March 31, 2013	134.46	-	4.8 %	1.0 %	3.5 %
Year ended March 31, 2012	(272.49)	-	(10.9) %	(0.7) %	(2.6) %

(Reference) Equity in earnings of affiliates: (¥ 3,702 million) for the year ended March 31, 2013
 ¥ 655 million for the year ended March 31, 2012

(2) Consolidated financial conditions (Yen in millions)

	Total assets	Net assets	Net assets less minority interests to Total assets	Net assets less minority interests per share (Yen)
As of March 31, 2013	15,914,663	2,021,625	12.6 %	3,215.33
As of March 31, 2012	14,537,204	1,512,134	10.3 %	2,400.48

(Reference) Net assets less minority interests: As of March 31, 2013: ¥ 1,999,579 million
 As of March 31, 2012: ¥ 1,492,866 million

(3) Consolidated cash flows (Yen in millions)

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of fiscal year
Year ended March 31, 2013	118,751	(165,248)	33,590	716,221
Year ended March 31, 2012	(205,272)	149,960	65,442	711,710

2. Dividends

	Dividends per share (Yen)					Total annual dividends (Yen in millions)	Dividend pay-out ratio (Consolidated)	Dividends on net assets (Consolidated)
	1st quarter	2nd quarter	3rd quarter	4th quarter	Annual total			
Year ended March 31, 2012	-	27.00	-	27.00	54.00	33,582	- %	2.2 %
Year ended March 31, 2013	-	27.00	-	27.00	54.00	33,582	40.2 %	1.9 %
Year ending March 31, 2014 (Forecasts)	-	28.00	-	28.00	56.00		27.9 %	

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

	Ordinary profit		Net income		Net income per share (Yen)
Year ending March 31, 2014	191,000	27.1 %	125,000	49.5 %	201.00

Percent figures represent changes from the preceding fiscal year.

4. Other Information

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

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

1. Changes in accounting policies due to revisions of accounting standards: Yes
2. Changes in accounting policies other than above: None
3. Changes in accounting estimates: Yes
4. Restatements: None

(Note)

For details, please refer to “(6) Changes in Accounting Policies and Accounting Estimates and Restatements” on page 14 of the Appendix.

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

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

As of March 31, 2013:	633,291,754 shares
As of March 31, 2012:	633,291,754 shares
2. The number of treasury stock

As of March 31, 2013:	11,403,482 shares
As of March 31, 2012:	11,389,363 shares
3. The average number of shares outstanding

For the year ended March 31, 2013:	621,896,119 shares
For the year ended March 31, 2012:	621,907,398 shares

(Reference) Summary of Non-Consolidated Financial Results

Non-Consolidated Business Results for the Year Ended March 31, 2013 (April 1, 2012 to March 31, 2013)

(1) Results of operations

(Yen in millions)

	Operating income		Operating profit/(loss)		Ordinary profit/(loss)		Net income/(loss)	
Year ended March 31, 2013	37,126	27.0 %	33,682	32.6 %	33,713	32.5 %	33,697	32.4 %
Year ended March 31, 2012	29,225	(57.7) %	25,406	(61.3) %	25,449	(61.3) %	25,445	(61.0) %

Percent figures represent changes from the preceding fiscal year.

(Yen)

	Net income /(loss) per share - Basic	Net income/(loss) per share - Diluted
	Year ended March 31, 2013	54.18
Year ended March 31, 2012	40.91	-

(2) Financial conditions

(Yen in millions)

	Total assets	Net assets	Net assets ratio	Net assets per share (Yen)
	As of March 31, 2013	1,339,230	1,338,526	99.9 %
As of March 31, 2012	1,338,986	1,338,434	100.0 %	2,152.16

(Reference) Net assets: As of March 31, 2013: ¥ 1,338,526 million
As of March 31, 2012: ¥ 1,338,434 million

*Disclosure regarding the execution of the audit process

This report is outside the scope of the audit procedure required by "Financial Instruments and Exchange Act". Therefore, the audit process has not 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. For key assumptions of the earnings forecasts, please refer to “Consolidated Earnings Forecasts for the Year Ending March 31, 2014” on page 4 of the Appendix. 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.

【Appendix】

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【Supplementary Information】

Explanation for Business Results for the Year Ended March 31, 2013

1. Analysis of Results of Operations and Financial Conditions

(1) Analysis of Results of Operations

(Results of operations in the fiscal year under review)

During the fiscal year under review, the Japanese economy continued its gradual recovery supported by restoration demand following the Great East Japan Earthquake. However, from around the middle of this fiscal year, the economy trended at a sluggish pace, reflecting factors such as declines in exports and production due to the slowdown in the global economy, which was prompted by the sovereign debt crisis in Europe. Signs of economic improvement subsequently became evident, with share prices climbing against a backdrop of heightened expectations for economic recovery and a reversal of the high yen.

While premium income increased, the business environment surrounding the non-life insurance industry continued to be challenging as the automotive insurance loss ratio remained at a high level and natural disasters occurred frequently both in Japan and overseas. In the life insurance industry, the balance of policies in force continued to decline due to an increase in small-scale policies.

In view of these business conditions, the Group focused on expanding its domestic non-life insurance business, domestic life insurance business, overseas business, financial services business and risk-related services business in line with the "MS&AD New Frontier 2013" medium-term management plan, which began in fiscal 2010. It also improved the quality of products and services and enhanced profitability and growth potential. To pursue group synergies, the Group focused on integrating systems and enhancing the efficiency of operations through measures such as the joint use of agency systems.

Against this background, the Company reported the following consolidated revenues and earnings in the fiscal year under review.

Underwriting income was ¥3,510.3 billion, investment income was ¥797.7 billion, and other ordinary income was ¥7.7 billion, resulting in total ordinary income of ¥4,315.7 billion. Ordinary expenses amounted to ¥4,165.4 billion. This breaks down into underwriting expenses of ¥3,574.3 billion, investment expenses of ¥65.9 billion, operating expenses and general and administrative expenses of ¥508.4 billion, and other ordinary expenses of ¥17.5 billion.

As a result, the Company posted an ordinary profit of ¥150.3 billion, marking an increase of ¥246.5 billion compared to the previous fiscal year, when the Company recorded insurance claims resulting from the floods in Thailand under underwriting expenses (the sum total of net claims paid and provision for outstanding claims). After factoring in extraordinary income and losses, income taxes and other factors, net income of ¥83.6 billion was reported with an increase of ¥253.0 billion compared to the previous fiscal year, when the net income was affected by reversal of deferred tax asset due to an alteration in corporate tax rate and other factors.

Summaries of each business segment are given below.

1) Domestic Non-life Insurance Business (Mitsui Sumitomo Insurance Co., Ltd.)

Ordinary income was ¥1,792.8 billion after recording underwriting income of ¥1,661.2 billion, investment income of ¥127.7 billion, and other ordinary income of ¥3.7 billion. Meanwhile, ordinary expenses came to ¥1,727.5 billion resulting from underwriting expenses of ¥1,474.4 billion, investment expenses of ¥38.2 billion, operating expenses and general and administrative expenses of ¥206.5 billion, and other ordinary expenses of ¥8.2 billion.

As a result, ordinary profit was ¥65.3 billion with a change of ¥195.5 billion from ordinary loss in the previous fiscal year. After factoring in extraordinary income and losses, income taxes and other factors to ordinary profit, net income came to ¥42.6 billion with a change of ¥173.2 billion from the net loss in the previous fiscal year.

2) Domestic Non-life Insurance Business (Aioi Nissay Dowa Insurance Co., Ltd.)

Ordinary income was ¥1,342.7 billion after recording underwriting income of ¥1,273.8 billion, investment income of ¥66.0 billion, and other ordinary income of ¥2.7 billion. Meanwhile, ordinary expenses came to ¥1,316.8 billion resulting from underwriting expenses of ¥1,086.6 billion, investment expenses of ¥39.9 billion, operating expenses and general and administrative expenses of ¥187.8 billion, and other ordinary expenses of ¥2.3 billion.

As a result, ordinary profit was ¥25.8 billion with an increase of ¥16.6 billion from ordinary profit in the previous fiscal year. After factoring in extraordinary income and losses, income taxes and other factors to ordinary profit, net income came to ¥18.8 billion with a change of ¥62.4 billion from the net loss in the previous fiscal year.

3) Domestic Non-life Insurance Business (Mitsui Direct General Insurance Co., Ltd.)

Ordinary income was ¥35.7 billion after recording underwriting income of ¥35.5 billion and investment income of ¥0.2 billion. Meanwhile, ordinary expenses came to ¥35.2 billion resulting from underwriting expenses of ¥28.1 billion and operating expenses and general and administrative expenses of ¥7.0 billion.

As a result, ordinary profit and net income were ¥0.5 billion and ¥0.4 billion, respectively at the same level as the previous fiscal year. Consequently, net income after taking ownership interests into account (segment income) was ¥0.3 billion at the same level as the previous fiscal year.

4) Domestic Life Insurance Business (Mitsui Sumitomo Aioi Life Insurance Co., Ltd.)

Ordinary income was ¥465.6 billion after recording insurance premiums and others of ¥422.1 billion, investment income of ¥40.4 billion, and other ordinary income of ¥3.0 billion. Meanwhile, ordinary expenses came to ¥458.2 billion resulting from insurance claims and others of ¥166.9 billion, provision for underwriting reserves of ¥207.4 billion, investment expenses of ¥2.8 billion, operating expenses of ¥73.5 billion, and other ordinary expenses of ¥7.4 billion.

As a result, ordinary profit was ¥7.4 billion with an increase of ¥5.6 billion from the previous fiscal year. After factoring in extraordinary income and losses, income taxes and other factors, net income of ¥0.4 billion was reported with a change of ¥11.8 billion from the net loss in the previous fiscal year.

(Note)

Mitsui Sumitomo Kirameki Life Insurance Co., Ltd. and Aioi Life Insurance Co., Ltd. merged into Mitsui Sumitomo Aioi Life Insurance Co., Ltd. on October 1, 2011. The figures as of March 31, 2012 are the simple sum combination of Mitsui Sumitomo Kirameki Life Insurance Co., Ltd. and Aioi Life Insurance Co., Ltd.

5) Domestic Life Insurance Business (Mitsui Sumitomo Primary Life Insurance Co., Ltd.)

Ordinary income was ¥1,016.6 billion after recording insurance premiums and others of ¥456.6 billion, investment income of ¥557.8 billion, and other ordinary income of ¥2.0 billion. Meanwhile, ordinary expenses came to ¥977.6 billion resulting from insurance claims and others of ¥366.0 billion, provision for underwriting reserves of ¥570.5 billion, investment expenses of ¥0.5 billion, operating expenses of ¥38.2 billion, and other ordinary expenses of ¥2.2 billion.

As a result, ordinary profit became ¥38.9 billion with an increase of ¥25.9 billion from the previous fiscal year. After factoring in extraordinary income and losses, income taxes and other factors to ordinary profit, net income came to ¥10.3 billion with an increase of ¥4.3 billion from net profit in the previous fiscal year.

6) Overseas Business (Overseas insurance subsidiaries)

Net premiums written in the overseas insurance subsidiaries segment rose by ¥5.4 billion compared to the previous fiscal year to ¥186.1 billion.

Ordinary profit came to ¥18.8 billion with a change of ¥19.6 billion from ordinary profit in the previous fiscal year, and net income (segment profit) came to ¥12.6 billion with a change of ¥19.3 billion from net loss in the previous fiscal year.

(Consolidated Earnings Forecasts for the Year Ending March 31, 2014)

Based on the assumptions below, the Company forecasts ordinary profit of ¥191 billion and net income of ¥125 billion on a consolidated basis for the fiscal year ending March 31, 2014.

- Net premiums written based on the Company's past business performances are its own estimates.
- Incurred loss in relation to new domestic natural disasters (the sum total of net claims paid and provision for outstanding claims) is projected to be ¥20 billion at Mitsui Sumitomo Insurance Co., Ltd. and ¥15 billion at Aioi Nissay Dowa Insurance Co., Ltd.
- Market interest rates, currency exchange rates, and stock prices are assumed not to change substantially from the end of March 2013.
- The Company's consolidated earnings forecasts have been prepared based on certain assumed conditions, including those above, but actual results may differ substantially from these forecasts depending on various factors.

(2) Analysis of Financial Conditions

Total assets as at March 31, 2013 stood at ¥15,914.6 billion with an increase of ¥1,377.4 billion from the end of the previous fiscal year, mainly due to an increase in securities stemming from a rise in stock prices. In addition, net assets stood at ¥2,021.6 billion with an increase of ¥509.4 billion from the end of the previous fiscal year, mainly due to a rise in net unrealized gains on investments in securities.

With regard to cash flows in the fiscal year under review, net cash flows provided by operating activities were ¥118.7 billion with an increase of ¥324.0 billion from the previous fiscal year, mainly due to a rise in insurance premiums income. Net cash flows used in investing activities were (¥165.2 billion) with a decrease of ¥315.2 billion from the previous fiscal year, mainly due to an increase in purchase of securities. Net cash flows provided by financing activities were ¥33.5 billion with a decrease of ¥31.8 billion, mainly due to a decrease in revenues stemming from the issuance of bonds. As a result, cash and cash equivalents as at the end of the fiscal year under review stood at ¥716.2 billion with an increase of ¥4.5 billion from the end of the previous fiscal year.

Cash flows-related indices are shown below.

(Unit: %)

	March 31, 2009	March 31, 2010	March 31, 2011	March 31, 2012	March 31, 2013
Equity ratio	13.6	17.3	14.1	10.3	12.6
Equity ratio based on market value	12.9	14.5	10.5	7.4	8.2

(Notes)

1. Equity ratio: Net assets less minority interests/Total assets × 100
2. Equity ratio based on market value: Market capitalization/Total assets × 100
3. As the major business of the MS&AD Group is insurance business, the ratio of cash flows to interest-bearing debt and the interest coverage ratio are not shown.

In regard to the liquidity of funds, the MS&AD Group maintains sufficient liquid assets in preparation for any deterioration in its cash position due to factors such as the outflow of funds arising from the payment of insurance claims or disruptions in the market. It also evaluates liquidity in terms of both assets and liabilities based on trends regarding the inflow and outflow of funds, and conducts appropriate cash management.

2. Management Policies

(1) The Company's Basic Management Policies

As aspirations the MS&AD Group endeavors to achieve, we have established "Our Mission," "Our Vision" and "Our Values," which are set out below.

Our Mission

To contribute to the development of a vibrant society and help secure a sound future for the earth, by bringing security and safety through the global insurance and financial services business.

Our Vision

To create a world-leading insurance and financial services group that continues to seek sustainable growth and to enhance enterprise value.

Our Values

CUSTOMER FOCUSED:	We continuously strive to provide security and achieve customer satisfaction.
INTEGRITY:	We are sincere, kind, fair and just in all our dealings with everyone.
TEAMWORK:	We achieve mutual growth by respecting one another's individuality and opinions, and by sharing knowledge and ideas.
INNOVATION:	We listen to our stakeholders and continuously seek ways to improve our work and business.
PROFESSIONALISM:	We make continuous efforts to improve our skills and proficiency to provide high-quality services.

(2) Numerical Management Targets

Under the "MS&AD New Frontier 2013," the new medium-term management plan launched in fiscal 2010, the MS&AD Group made a commitment to enhance corporate value by realizing a sustainable growth cycle centered on quality improvement. Furthermore, as numerical management targets for demonstrating the performance of the Group as a whole, the Group earmarked consolidated net premiums written, annualized premium in force of life insurance ^(Note1) and Group ROE ^(Note 2) and in fiscal 2013 set net premiums written of ¥2,700 billion, annualized premium in force for life insurance of ¥330 billion and Group ROE of 7% as targets to achieve in the medium term.

The abovementioned target figures are current as of the date of announcement of this document.

(Note)

1. Annualized premium in force of life insurance for Mitsui Sumitomo Aioi Life Insurance Co., Ltd. excluding group insurance policies
2. Group ROE = Group Core Profit ^(Note3) ÷ Consolidated net assets (excluding minority interest; average of starting and ending amounts of the balance sheets)
3. Group Core Profit = Consolidated net income
 - Net capital gains/losses on stock portfolio (gains/losses on sales, etc.)
 - Net evaluation gains/losses on credit derivatives
 - Other incidental factors
 - + Equity in earnings of the non-consolidated group companies

(3) The Company's Medium- to Long-term Management Strategies and Issues to Address

While the insurance industry is expected to benefit from the economic recovery, the business environment is expected to remain difficult to forecast due to uncertain factors, mainly natural disasters and Japan's declining population.

In this environment, to fulfill the "MS&AD New Frontier 2013" medium-term management plan, the Group will earn the trust of customers and achieve growth by providing our high-quality products and services in our various businesses, centered on the domestic non-life insurance business, domestic life insurance business and overseas business. To enhance profitability, we will pursue function-specific reorganization of the Group, demonstrate to the maximum the strengths of Mitsui Sumitomo Insurance Co., Ltd. and Aioi Nissay Dowa Insurance Co., Ltd. , and conduct efficient business management of the Group as a whole.

Moreover, we will strengthen our group governance frameworks primarily at the holding company and improve our risk management frameworks. Through these initiatives, we will build a world-leading insurance and financial group engaged in business globally, and we will achieve sustainable growth and improve the corporate value of our Group.

3. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Yen in millions)

Items	March 31, 2012	March 31, 2013
(Assets)		
Cash, deposits and savings	649,505	536,383
Call loans	27,223	99,709
Receivables under resale agreements	41,680	48,545
Receivables under security borrowing transactions	178,679	224,025
Monetary claims bought	86,814	93,013
Money trusts	658,634	898,510
Investments in securities	10,220,605	11,398,945
Loans	945,149	867,063
Tangible fixed assets:	501,209	488,069
Land	252,793	248,710
Buildings	217,515	204,979
Lease assets	1,871	1,767
Construction in progress	685	6,861
Other tangible fixed assets	28,343	25,750
Intangible fixed assets:	138,789	177,693
Software	19,497	20,464
Goodwill	92,795	90,737
Lease assets	147	112
Other intangible fixed assets	26,349	66,378
Other assets	825,797	919,857
Deferred tax assets	265,892	132,741
Customers' liabilities under acceptances and guarantees	5,500	39,500
Bad debts reserve	(8,276)	(9,394)
Total assets	14,537,204	15,914,663
(Liabilities)		
Policy liabilities:	11,998,690	12,544,284
Outstanding claims	1,415,449	1,384,650
Underwriting reserves	10,583,240	11,159,633
Bonds issued	271,165	291,176
Other liabilities	609,472	790,243
Reserve for pension and retirement benefits	106,151	111,130
Reserve for retirement benefits for officers	1,525	1,316
Accrued bonuses for employees	19,440	20,234
Reserves under the special laws:	9,334	33,953
Reserve for price fluctuation	9,334	33,953
Deferred tax liabilities	3,789	61,197
Acceptances and guarantees	5,500	39,500
Total liabilities	13,025,069	13,893,038
(Net assets)		
Shareholders' equity:		
Common stock	100,000	100,000
Capital surplus	682,753	682,752
Retained earnings	303,464	353,506
Treasury stock	(24,801)	(24,823)
Total shareholders' equity	1,061,416	1,111,435
Accumulated other comprehensive income:		
Net unrealized gains/(losses) on investments in securities	495,851	891,253
Net deferred gains/(losses) on hedges	16,384	26,428
Foreign currency translation adjustments	(80,786)	(29,539)
Total accumulated other comprehensive income	431,450	888,143
Minority interests	19,268	22,046
Total net assets	1,512,134	2,021,625
Total liabilities and net assets	14,537,204	15,914,663

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

(Yen in millions)

Items	Year ended March 31, 2012	Year ended March 31, 2013
Ordinary income and expenses:		
Ordinary income:	3,764,986	4,315,787
Underwriting income:	3,453,293	3,510,357
Net premiums written	2,555,551	2,639,015
Deposit premiums from policyholders	172,021	163,936
Investment income on deposit premiums from policyholders	60,861	56,038
Life insurance premiums	425,619	569,022
Reversal of outstanding claims	-	57,494
Reversal of underwriting reserves	229,721	-
Other underwriting income	9,518	24,849
Investment income:	301,689	797,721
Interest and dividends income	196,186	199,338
Investment gains on money trusts	51,188	183,995
Gains on sale of securities	57,146	84,885
Gains on redemption of securities	611	1,240
Gains on derivative transactions	2,347	1,982
Investment gains on separate accounts	44,338	373,755
Other investment income	10,731	8,561
Transfer of investment income on deposit premiums from policyholders	(60,861)	(56,038)
Other ordinary income:	10,003	7,709
Gains on equity method investments	655	-
Other ordinary income	9,348	7,709
Ordinary expenses:	3,861,198	4,165,486
Underwriting expenses:	3,265,396	3,574,397
Net claims paid	1,941,371	1,740,784
Loss adjustment expenses	135,274	135,545
Commission and collection expenses	479,425	510,553
Maturity refunds to policyholders	376,943	392,529
Dividends to policyholders	1,494	866
Life insurance claims	192,069	220,615
Provision for outstanding claims	133,832	-
Provision for underwriting reserves	-	568,601
Other underwriting expenses	4,985	4,901
Investment expenses:	72,892	65,903
Investment losses on money trusts	68	48
Losses on sale of securities	31,083	14,385
Impairment losses on securities	29,630	38,293
Losses on redemption of securities	1,337	3,213
Other investment expenses	10,771	9,961
Operating expenses and general and administrative expenses	515,270	508,454
Other ordinary expenses:	8,399	17,511
Interest expense	2,564	7,869
Provision for bad debts	-	1,460
Loss on bad debts	182	51
Amortization of deferred assets under Article 113 of the Insurance Business Act	93	191
Losses on equity method investments	-	3,702
Other ordinary expenses	5,557	4,236
Deferred expenses under Article 113 of the Insurance Business Act	(760)	(779)
Ordinary profit/(loss)	(96,211)	150,300

(Yen in millions)

Items	Year ended March 31, 2012	Year ended March 31, 2013
Extraordinary income and losses:		
Extraordinary income:	12,002	2,445
Gains on sale of fixed assets	2,811	2,445
Gain on negative goodwill	3,311	-
Reversal of reserves under the special laws:	5,878	-
Reversal of reserve for price fluctuation	5,878	-
Extraordinary losses:	26,739	28,830
Losses on sale of fixed assets	4,024	3,180
Impairment losses on fixed assets	3,589	1,031
Provision for reserves under the special laws:	-	24,618
Provision for reserve for price fluctuation	-	24,618
Other extraordinary losses	19,125	-
Income/(loss) before income taxes and minority interests	(110,948)	123,915
Income taxes - current	16,064	26,387
Income taxes - deferred	40,995	12,216
Total income taxes	57,060	38,603
Income/(loss) before minority interests	(168,008)	85,311
Minority interests	1,460	1,686
Net income/(loss)	(169,469)	83,625

Consolidated Statements of Comprehensive Income

(Yen in millions)

Items	Year ended March 31, 2012	Year ended March 31, 2013
Income/(loss) before minority interests	(168,008)	85,311
Other comprehensive income:		
Net unrealized gains/(losses) on investments in securities	86,693	394,606
Net deferred gains/(losses) on hedges	10,150	10,044
Foreign currency translation adjustments	(13,204)	49,394
Share of other comprehensive income of equity method investments	(3,766)	4,581
Total other comprehensive income	79,872	458,626
Total comprehensive income	(88,136)	543,938
Allocation:		
Comprehensive income attributable to shareholders of the parent	(88,583)	540,318
Comprehensive income attributable to minority interests	447	3,620

(3) Consolidated Statements of Changes in Net Assets

(Yen in millions)

Items	Year ended March 31, 2012	Year ended March 31, 2013
Shareholders' equity:		
Common stock:		
Beginning balance	100,000	100,000
Ending balance	100,000	100,000
Capital surplus:		
Beginning balance	682,754	682,753
Changes for the year:		
Disposal of treasury stock	(0)	(0)
Total changes for the year	(0)	(0)
Ending balance	682,753	682,752
Retained earnings:		
Beginning balance	506,696	303,464
Changes for the year:		
Dividends paid	(33,583)	(33,582)
Changes in the scope of consolidation	(181)	-
Increase due to merger of subsidiaries	2	-
Net income/(loss)	(169,469)	83,625
Total changes for the year	(203,232)	50,042
Ending balance	303,464	353,506
Treasury stock:		
Beginning balance	(24,785)	(24,801)
Changes for the year:		
Repurchase of treasury stock	(19)	(24)
Disposal of treasury stock	4	3
Total changes for the year	(15)	(21)
Ending balance	(24,801)	(24,823)
Total shareholders' equity:		
Beginning balance	1,264,664	1,061,416
Changes for the year:		
Dividends paid	(33,583)	(33,582)
Changes in the scope of consolidation	(181)	-
Increase due to merger of subsidiaries	2	-
Net income/(loss)	(169,469)	83,625
Repurchase of treasury stock	(19)	(24)
Disposal of treasury stock	3	2
Total changes for the year	(203,248)	50,019
Ending balance	1,061,416	1,111,435

(Yen in millions)

Items	Year ended March 31, 2012	Year ended March 31, 2013
Accumulated other comprehensive income:		
Net unrealized gains/(losses) on investments in securities:		
Beginning balance	409,337	495,851
Changes for the year:		
Net changes of items other than shareholders' equity	86,514	395,401
Total changes for the year	86,514	395,401
Ending balance	495,851	891,253
Net deferred gains/(losses) on hedges:		
Beginning balance	6,234	16,384
Changes for the year:		
Net changes of items other than shareholders' equity	10,150	10,044
Total changes for the year	10,150	10,044
Ending balance	16,384	26,428
Foreign currency translation adjustments:		
Beginning balance	(65,007)	(80,786)
Changes for the year:		
Net changes of items other than shareholders' equity	(15,778)	51,246
Total changes for the year	(15,778)	51,246
Ending balance	(80,786)	(29,539)
Total accumulated other comprehensive income:		
Beginning balance	350,564	431,450
Changes for the year:		
Net changes of items other than shareholders' equity	80,885	456,692
Total changes for the year	80,885	456,692
Ending balance	431,450	888,143
Minority interests:		
Beginning balance	18,152	19,268
Changes for the year:		
Net changes of items other than shareholders' equity	1,116	2,777
Total changes for the year	1,116	2,777
Ending balance	19,268	22,046
Total net assets:		
Beginning balance	1,633,381	1,512,134
Changes for the year:		
Dividends paid	(33,583)	(33,582)
Changes in the scope of consolidation	(181)	-
Increase due to merger of subsidiaries	2	-
Net income/(loss)	(169,469)	83,625
Repurchase of treasury stock	(19)	(24)
Disposal of treasury stock	3	2
Net changes of items other than shareholders' equity	82,002	459,470
Total changes for the year	(121,246)	509,490
Ending balance	1,512,134	2,021,625

(4) Consolidated Statements of Cash Flows

(Yen in millions)

Items	Year ended March 31, 2012	Year ended March 31, 2013
Cash flows from operating activities:		
Income/(loss) before income taxes and minority interests	(110,948)	123,915
Adjustments for:		
Depreciation	35,805	37,549
Impairment losses on fixed assets	3,589	1,031
Amortization of goodwill	6,175	6,159
Gains on negative goodwill	(3,311)	-
Increase/(decrease) in outstanding claims	132,993	(58,764)
Increase/(decrease) in underwriting reserves	(234,185)	562,303
Increase/(decrease) in bad debt reserve	(1,473)	950
Increase/(decrease) in reserve for pension and retirement benefits	2,197	4,894
Increase/(decrease) in reserve for retirement benefits for officers	(275)	(208)
Increase/(decrease) in accrued bonuses for employees	(922)	574
Increase/(decrease) in reserve for price fluctuation	(5,878)	24,618
Interest and dividends income	(196,186)	(199,338)
Money trust related losses/(gains)	(51,113)	(183,944)
Investment related losses/(gains)	4,294	(30,233)
Derivative transactions related losses/(gains)	(2,347)	(1,982)
Investment losses/(gains) on separate accounts	(44,338)	(373,755)
Interest expense	2,564	7,869
Foreign exchange losses/(gains)	(14,514)	(6,742)
Losses/(gains) on disposal of tangible fixed assets	1,141	732
Losses/(gains) on equity method investments	(655)	3,702
Decrease/(increase) in other assets	(19,006)	(54,521)
Increase/(decrease) in other liabilities	63,234	61,301
Others, net	22,167	8,989
Subtotal	(410,996)	(64,898)
Interest and dividends received	203,733	212,527
Interest paid	(2,329)	(7,959)
Income tax refunded/(paid)	4,320	(20,917)
Net cash provided by/(used in) operating activities (a)	(205,272)	118,751

(Yen in millions)

Items	Year ended March 31, 2012	Year ended March 31, 2013
Cash flows from investing activities:		
Net decrease/(increase) in deposits and savings	(23,356)	(11,189)
Purchase of monetary claims	-	(9,495)
Proceeds from sales and redemption of monetary claims bought	6,550	14,719
Purchase of money trusts	(78,333)	(230,924)
Proceeds from sales of money trusts	55,442	175,246
Purchase of securities	(1,792,099)	(2,066,266)
Proceeds from sales and redemption of securities	1,960,343	1,965,245
Investment in loans	(216,533)	(226,847)
Collection of loans	324,608	304,786
Net increase/(decrease) in cash collateral under securities borrowing and lending transactions	(25,863)	(244)
Others, net	13,550	(15,386)
Subtotal (b)	224,307	(100,356)
(a + b)	19,035	18,395
Acquisition of tangible fixed assets	(43,477)	(24,598)
Proceeds from sales of tangible fixed assets	9,565	8,963
Acquisition of intangible fixed assets	(262,424)	(49,177)
Acquisition of shares of subsidiaries resulting in changes in scope of consolidation	(14,460)	-
Others, net	268	(79)
Net cash provided by (used in) investing activities	149,960	(165,248)
Cash flows from financing activities:		
Proceeds from borrowings	-	50,000
Repayments of borrowings	(2,500)	-
Issuance of bonds	104,601	50,000
Redemption of bonds	-	(30,000)
Repurchase of treasury stock	(19)	(24)
Dividends paid to shareholders	(33,547)	(33,565)
Dividends paid to minority shareholders	(788)	(825)
Others, net	(2,302)	(1,993)
Net cash provided by/(used in) financing activities	65,442	33,590
Effect of exchange rate changes on cash and cash equivalents	10,052	17,643
Net increase/(decrease) in cash and cash equivalents	20,183	4,736
Cash and cash equivalents at the beginning of the year	687,267	711,710
Increase in cash and cash equivalents resulting from newly consolidated subsidiaries	4,089	-
Decrease in cash and cash equivalents due to exclusion from scope of consolidation	-	(226)
Net increase/(decrease) in cash and cash equivalents relating to merger of subsidiaries	170	-
Cash and cash equivalents at the end of the year	711,710	716,221

(5) Notes Related to Going Concern Assumptions

Not applicable.

(6) Changes in Accounting Policies and Accounting Estimates and Restatements

(Changes in accounting policies which are difficult to distinguish from changes in accounting estimates)

In accordance with the amendment of the Corporation Tax Act, effective from April 1, 2012, the Company and its consolidated domestic subsidiaries have changed the depreciation method for tangible fixed assets acquired on or after April 1, 2012.

Compared with the previous method, ordinary profit and net income before income taxes and minority interests in the fiscal year under review increased by ¥459 million respectively.

(7) Notes to the Consolidated Financial Statements

(Segment Information, etc.)

a. Segment Information

1. Overview of Reportable Segments

The reportable segments are the components of the MS&AD group for which separate financial information is available and such information is evaluated regularly by the board of directors in deciding how to allocate resources and assessing their performance.

The Group's business domains comprise the domestic non-life insurance businesses, the domestic life insurance businesses, the overseas businesses, the financial services business, and the risk-related services business. Three companies are primarily responsible for the domestic non-life insurance businesses, namely, Mitsui Sumitomo Insurance Co., Ltd. (MSI), Aioi Nissay Dowa Insurance Co., Ltd. (ADI), and Mitsui Direct General Insurance Co., Ltd. (Mitsui Direct General). Two companies are primarily responsible for the domestic life insurance business, namely, Mitsui Sumitomo Aioi Life Insurance Co., Ltd. (MSI Aioi Life) and Mitsui Sumitomo Primary Life Insurance Co., Ltd. (MSI Primary Life). In addition, domestic non-life insurance subsidiaries engage in overseas business, and overseas insurance subsidiaries develop their insurance business in various foreign countries.

Accordingly, segment information is based on the business domain categories, and as domestic life and non-life insurance businesses are further differentiated according to business segments of the individual insurance companies, the Group has six reportable segments that comprise the five domestic insurance companies and the overseas businesses (overseas insurance subsidiaries).

Each non-life insurance company underwrites fire and allied insurance, marine insurance, personal accident insurance, voluntary automobile insurance, compulsory automobile liability insurance and other non-life insurance products. Each life insurance company underwrites individual insurance, individual annuity insurance, group insurance, and other life insurance products.

2. Methods of calculating revenues, net income or loss, assets, liabilities and other items by reportable segment

The accounting methods for reportable segments are mostly same as those mentioned in "Significant Accounting Policies" of the Securities Reports for Year ended March 31, 2012. The Company and its subsidiaries employ net income (after taking ownership interests into consideration) as a measure for net income and loss by reportable segment.

Intersegment revenues and transfers are based on prices used in transactions between the Company and independent third parties.

(Changes in accounting policies which are difficult to distinguish from changes in accounting estimates)

In accordance with the amendment of the Corporation Tax Act, effective from April 1, 2012, the Company and its consolidated domestic subsidiaries have changed to the depreciation method for tangible fixed assets acquired on or after April 1, 2012. Compared with the previous method, net income by segment in the fiscal year under review increased by ¥178 million at MSI and by ¥124 million at ADI. The impact of this change on other segments is immaterial.

3. Information on revenues, net income or loss, assets, liabilities and other items by reportable segment

Year ended March 31, 2012 (From April 1, 2011 to March 31, 2012)

(Yen in millions)

	Domestic non-life insurance business			Domestic life insurance business	
	MSI	ADI	Mitsui Direct General	MSI Aioi Life	MSI Primary Life
Revenues: (Note 1)					
Revenues from transactions with external customers	1,232,540	1,067,070	34,357	283,627	140,363
Intersegment revenues or transfers	33,457	7,561	(37)	336	-
Total	1,265,997	1,074,631	34,319	283,964	140,363
Net income/(loss) by segment	(130,607)	(43,549)	371	(11,395)	5,993
Assets by segment	5,646,816	3,141,142	45,150	2,136,662	3,154,641
Other items:					
Depreciation	16,702	13,018	903	2,092	495
Amortization of goodwill	-	-	-	-	-
Interest and dividends income	102,343	58,455	200	32,227	323
Interest expense	2,365	2	-	123	0
Impairment losses on securities	39,206	14,575	-	555	-
Gains/(losses) on equity method investments	-	-	-	-	-
Extraordinary income:	3,451	9,075	-	3	-
Reversal of reserve for price fluctuation	2,756	4,225	-	-	-
Gains on negative goodwill	-	-	-	-	-
Extraordinary losses:	4,521	3,588	10	10,755	656
Impairment losses on fixed assets	3,141	1,687	-	-	-
Merger expenses	-	-	-	10,191	-
Income taxes	(639)	58,270	(52)	(2,376)	6,375
Investments in affiliated companies accounted for under equity method	100,012	-	-	-	-
Increase in tangible fixed assets and intangible fixed assets	48,552	18,818	1,039	2,262	1,692

(Yen in millions)

	Overseas business	Others (Note 2)	Total	Adjustments (Notes 3,4 and 5)	Amount on the consolidated financial statements (Note 6)
	Overseas insurance subsidiaries				
Revenues: (Note 1)					
Revenues from transactions with external customers	223,114	2,056	2,983,130	(1,959)	2,981,171
Intersegment revenues or transfers	(40,704)	170	783	(783)	-
Total	182,410	2,227	2,983,914	(2,743)	2,981,171
Net income/(loss) by segment	(6,721)	(67)	(185,977)	16,507	(169,469)
Assets by segment	812,658	16,627	14,953,699	(416,495)	14,537,204
Other items:					
Depreciation	2,846	218	36,277	(471)	35,805
Amortization of goodwill	-	-	-	6,175	6,175
Interest and dividends income	13,319	74	206,943	(10,756)	196,186
Interest expense	61	79	2,633	(69)	2,564
Impairment losses on securities	1,187	2	55,527	(25,897)	29,630
Gains/(losses) on equity method investments	3,019	462	3,482	(2,826)	655
Extraordinary income:	54	-	12,585	(582)	12,002
Reversal of reserve for price fluctuation	-	-	6,982	(1,103)	5,878
Gains on negative goodwill	-	-	-	3,311	3,311
Extraordinary losses:	6	75	19,614	7,125	26,739
Impairment losses on fixed assets	-	75	4,903	(1,314)	3,589
Merger expenses	-	-	10,191	(8)	10,182
Income taxes	4,316	195	66,089	(9,029)	57,060
Investments in affiliated companies accounted for under equity method	15	-	100,027	(6,417)	93,609
Increase in tangible fixed assets and intangible fixed assets	2,118	0	74,484	0	74,485

(Notes)

- "Revenues" represents net premiums written for non-life insurance business, life insurance premiums for life insurance business, ordinary income for other business, and the sum total of net premiums written and life insurance premiums for "Amount on the consolidated financial statements".
- "Others" represents the business segments that are not included in reportable segments, and includes the financial services business and risk-related services business operated by group companies other than insurance companies, and the domestic non-life insurance business operated by domestic non-life insurance subsidiaries that are not included in reportable segments.
- "Adjustments" in "Revenues from transactions with external customers" represents the amount other than net premiums written included in ordinary income for other business.
- "Adjustments" in "Net income/(loss) by segment" includes (¥3,401 million) in companywide expenses not allocated to respective reportable segments, ¥37,653 million in eliminations of impairment losses on securities relating to shares of consolidated subsidiaries, and (¥17,744 million) in adjustments for profit/(loss) relating to application of the purchase method in relation to domestic insurance subsidiaries and amortization of goodwill, etc. Most of the companywide expenses are expenses associated with the Company's administrative departments that do not belong to any reportable segment.
- "Adjustments" in "Assets by segment" includes (¥338,821 million) in elimination of internal transactions between segments, (¥172,006 million) in transfers due to presentation after offsetting policy reserves included in the assets of overseas insurance subsidiaries against policy reserves included in liabilities, and ¥1,699 million in companywide assets not allocated to respective reportable segments and ¥92,633 million in adjustments for assets relating to application of the purchase method in relation to domestic insurance subsidiaries and adjustments for the unamortized balance of goodwill not allocated to respective reportable segments, etc. Companywide assets are assets associated with the Company that do not belong to any reportable segment.
- "Net income/(loss) by segment" has been adjusted against the net loss in the consolidated financial statements.

Year ended March 31, 2013 (From April 1, 2012 to March 31, 2013)

(Yen in millions)

	Domestic non-life insurance business			Domestic life insurance business	
	MSI	ADI	Mitsui Direct General	MSI Aioi Life	MSI Primary Life
Revenues: (Note 1)					
Revenues from transactions with external customers	1,279,374	1,092,910	35,314	318,332	249,196
Intersegment revenues or transfers	34,456	10,323	(40)	335	(1,521)
Total	1,313,831	1,103,234	35,273	318,667	247,675
Net income/(loss) by segment	42,657	18,862	339	458	10,350
Assets by segment	5,901,413	3,236,851	45,596	2,436,264	3,765,574
Other items:					
Depreciation	19,962	11,748	660	2,161	720
Amortization of goodwill	-	-	-	-	-
Interest and dividends income	101,814	60,617	164	34,238	405
Interest expense	7,128	387	-	302	0
Impairment losses on securities	28,382	9,763	-	-	-
Gains/(losses) on equity method investments	-	-	-	-	-
Extraordinary income:	1,891	676	-	1	-
Gains on sales of fixed assets	1,891	502	-	1	-
Extraordinary losses:	4,204	2,310	24	457	21,844
Impairment losses on fixed assets	355	705	-	-	-
Provision for reserve for price fluctuation	2,511	-	4	444	21,831
Income taxes	20,395	5,362	39	721	6,775
Investments in affiliated companies accounted for under equity method	140,633	-	-	-	-
Increase in tangible fixed assets and intangible fixed assets	39,745	26,105	1,281	1,958	2,659

(Yen in millions)

	Overseas business	Others (Note 2)	Total	Adjustments (Notes 3,4 and 5)	Amount on the consolidated financial statements (Note 6)
	Overseas insurance subsidiaries				
Revenues: (Note 1)					
Revenues from transactions with external customers	231,079	3,599	3,209,807	(1,769)	3,208,038
Intersegment revenues or transfers	(43,449)	549	652	(652)	-
Total	187,630	4,148	3,210,460	(2,421)	3,208,038
Net income/(loss) by segment	12,664	87	85,421	(1,796)	83,625
Assets by segment	955,441	21,171	16,362,314	(447,650)	15,914,663
Other items:					
Depreciation	2,473	167	37,895	(346)	37,549
Amortization of goodwill	-	-	-	6,159	6,159
Interest and dividends income	13,262	76	210,578	(11,239)	199,338
Interest expense	45	76	7,941	(71)	7,869
Impairment losses on securities	295	3	38,444	(151)	38,293
Gains/(losses) on equity method investments	1,414	477	1,892	(5,594)	(3,702)
Extraordinary income:	50	50	2,669	(223)	2,445
Gains on sales of fixed assets	50	-	2,445	-	2,445
Extraordinary losses:	112	86	29,039	(209)	28,830
Impairment losses on fixed assets	-	-	1,060	(29)	1,031
Provision of reserve for price fluctuation	-	-	24,792	(173)	24,618
Income taxes	4,153	218	37,666	937	38,603
Investments in affiliated companies accounted for under equity method	16	-	140,649	3,284	143,934
Increase in tangible fixed assets and intangible fixed assets	1,941	872	74,565	348	74,913

(Notes)

- "Revenues" represents net premiums written for non-life insurance business and life insurance premiums for life insurance business, ordinary income for other businesses, and the sum total of net premiums written and life insurance premiums for "Amount on the consolidated financial statements".
- "Others" represents the business segments that are not included in reportable segments, and includes financial services business and risk-related services business operated by group companies other than domestic insurance companies, and the domestic non-life insurance business operated by domestic non-life insurance subsidiaries that are not included in reportable segments.
- "Adjustments" in "Revenues from transactions with external customers" represents the amount other than net premiums written and life insurance premiums included in ordinary income for other business.
- "Adjustments" in "Net income/(loss) by segment" includes (¥1,856 million) in elimination of internal transactions between segments, (¥3,133 million) in companywide expenses not allocated to respective reportable segments, and ¥3,193 million in adjustments for profit/(loss) relating to application of the purchase method in relation to domestic insurance subsidiaries and amortization of goodwill, etc. Most of the companywide expenses are expenses associated with the Company's administrative departments that do not belong to any reportable segment.
- "Adjustments" in "Assets by segment" include (¥348,172 million) in elimination of internal transactions between segments, (¥191,473 million) in transfers due to presentation after offsetting policy reserves included in the assets of overseas insurance subsidiaries against policy reserves included in liabilities, and ¥1,488 million in companywide assets not allocated to respective reportable segments and ¥90,506 million in adjustments for assets relating to application of the purchase method in relation to domestic insurance subsidiaries and adjustments for the unamortized balance of goodwill not allocated to respective any reportable segment, etc. Companywide assets are assets associated with the Company that do not belong to any reportable segments.
- "Net income/(loss) by segment" has been adjusted against the net income in the consolidated financial statements.

b. Related information

Year ended March 31, 2012 (From April 1, 2011 to March 31, 2012)

1. Information by product and service

(Yen in millions)

	Fire and allied	Marine	Personal accident	Voluntary automobile	Compulsory automobile liability	Others	Total
Net premiums written	339,636	87,395	219,520	1,299,499	291,610	317,890	2,555,551

(Yen in millions)

	Individual Insurance	Individual Annuity	Group Insurance	Group Annuity	Others	Total
Life insurance premiums	251,959	158,105	15,478	68	8	425,619

2. Information by geographic area

(1) Revenues

(Yen in millions)

	Japan	Overseas	Total
Net premiums written	2,301,277	254,274	2,555,551
Life insurance premiums	423,991	1,627	425,619

(Note)

Revenues are classified into "Japan" or "Overseas" in line with the classification used for management purpose based on locations of policyholders.

(2) Tangible fixed assets

Since tangible fixed assets located in Japan constitute more than 90 percent of total tangible fixed assets on the consolidated balance sheets, information on tangible fixed assets by geographic area is omitted.

3. Information by major customer

Not applicable.

Year ended March 31, 2013 (From April 1, 2012 to March 31, 2013)

1. Information by product and service

(Yen in millions)

	Fire and allied	Marine	Personal accident	Voluntary automobile	Compulsory automobile liability	Others	Total
Net premiums written	354,012	87,312	222,865	1,337,106	310,521	327,197	2,639,015

(Yen in millions)

	Individual Insurance	Individual Annuity	Group Insurance	Group Annuity	Others	Total
Life insurance premiums	568,017	(15,226)	16,214	10	6	569,022

2. Information by geographic area

(1) Revenues

(Yen in millions)

	Japan	Overseas	Total
Net premiums written	2,360,050	278,965	2,639,015
Life insurance premiums	567,590	1,432	569,022

(Note)

Revenues are classified into "Japan" or "Overseas" in line with the classification used for management purpose based on locations of policyholders.

(2) Tangible fixed assets

Since tangible fixed assets located in Japan constitute more than 90 percent of total tangible fixed assets on the consolidated balance sheets, information on tangible fixed assets by geographic area is omitted.

3. Information by major customer

Not applicable.

c. Information related to impairment losses on fixed assets by reportable segment

Information regarding impairment losses on fixed assets by reportable segment is included in "a. Segment Information, 3. Information on revenues, net income or loss, assets, liabilities and other items by reportable segment".

d. Information related to amortization of goodwill and unamortized balance of goodwill by reportable segment

Year ended March 31, 2012 (From April 1, 2011 to March 31, 2012)

(Yen in millions)

	ADI	Mitsui Direct General	Overseas insurance subsidiaries	Others	Total
Amortization of goodwill	1,638	700	3,789	46	6,175
Unamortized balance of goodwill	29,498	10,662	52,633	-	92,795

(Notes)

1. The amount in "Others" is that relating to the risk-related services business conducted by group companies other than insurance companies.
2. "Amortization of goodwill" is not included in Net income/(loss) by reportable segment which is disclosed in "a. Segment Information, 3. Information on revenues, net income or loss, assets, liabilities and other items by reportable segment". In addition, "Assets by segment" only includes goodwill recorded on the balance sheets of consolidated subsidiaries and do not include goodwill to be recognized by the Company through the consolidation process.

Year ended March 31, 2013 (From April 1, 2012 to March 31, 2013)

(Yen in millions)

	ADI	Mitsui Direct General	Overseas insurance subsidiaries	Total
Amortization of goodwill	1,638	700	3,820	6,159
Unamortized balance of goodwill	27,859	9,962	52,915	90,737

(Note)

"Amortization of goodwill" is not included in Net income/(loss) by reportable segment which is disclosed in "a. Segment Information, 3. Information on sales, net income or loss, assets, liabilities and other items by reportable segment". In addition, "Assets by segment" only includes goodwill recorded on the balance sheets of consolidated subsidiaries and do not include goodwill to be recognized by the Company through the consolidation process.

e. Information related to gains on negative goodwill by reportable segment

Year ended March 31, 2012 (From April 1, 2011 to March 31, 2012)

Gains on negative goodwill of ¥3,311 million incurred due to the additional acquisition of the shares of MSI Primary Life on April 1, 2011, but is not included in "Net income/(loss) by segment" of "a. Segment Information, 3. Information on sales, net income or loss, assets, liabilities and other items by reportable segment".

Year ended March 31, 2013 (From April 1, 2012 to March 31, 2013)

Not applicable.

(Notes to Investments in Securities)**1. Trading securities**

(Yen in millions)

	March 31, 2012	March 31, 2013
Valuation differences recorded as profit/(loss)	62,854	374,454

2. Held-to-maturity securities**As of March 31, 2012**

(Yen in millions)

Items		Carrying amount	Fair value	Difference
Securities whose fair value exceeds the carrying amount	Domestic bonds	587,555	621,059	33,504
	Other securities	-	-	-
	Subtotal	587,555	621,059	33,504
Securities whose fair value does not exceed the carrying amount	Domestic bonds	14,053	13,873	(180)
	Other securities	8,164	8,164	-
	Subtotal	22,218	22,038	(180)
Total		609,773	643,097	33,323

(Note)

"Other securities" includes certificates of deposits recorded as Cash, deposits and savings, and commercial papers recorded as Monetary claims bought on the consolidated balance sheets.

As of March 31, 2013

(Yen in millions)

Items		Carrying amount	Fair value	Difference
Securities whose fair value exceeds the carrying amount	Domestic bonds	686,754	753,400	66,646
	Other securities	-	-	-
	Subtotal	686,754	753,400	66,646
Securities whose fair value does not exceed the carrying amount	Domestic bonds	9,906	9,795	(110)
	Other securities	9,673	9,673	-
	Subtotal	19,580	19,469	(110)
Total		706,334	772,869	66,535

(Note)

"Other securities" includes certificates of deposits recorded as Cash, deposits and savings, and commercial papers recorded as Monetary claims bought on the consolidated balance sheets.

3. Debt securities earmarked for underwriting reserves

As of March 31, 2012

Not applicable.

As of March 31, 2013

(Yen in millions)

Items		Carrying amount	Fair value	Difference
Securities whose fair value exceeds the carrying amount	Foreign securities	-	-	-
Securities whose fair value does not exceed the carrying amount	Foreign securities	31,539	30,871	(667)
Total		31,539	30,871	(667)

(Note)

From the consolidated fiscal year under review, the Company has established debt securities earmarked for underwriting reserves in accordance with Industry Audit Committee Report No. 21, "Temporary Treatment of Accounting and Auditing Concerning Securities Earmarked for Underwriting Reserve in Insurance Industry" (issued by The Japanese Institute of Certified Public Accountants on November 16, 2000).

4. Available-for-sale securities

As of March 31, 2012

(Yen in millions)

Items		Carrying amount	Cost	Difference
Securities whose carrying amount exceeds the cost	Domestic bonds	3,445,015	3,314,685	130,329
	Domestic stock	1,374,250	721,292	652,957
	Foreign securities	678,098	636,202	41,896
	Other securities	84,769	79,238	5,531
	Subtotal	5,582,134	4,751,419	830,714
Securities whose carrying amount does not exceed the cost	Domestic bonds	236,958	244,172	(7,213)
	Domestic stock	543,094	603,999	(60,904)
	Foreign securities	561,641	596,630	(34,988)
	Other securities	105,093	110,563	(5,469)
	Subtotal	1,446,788	1,555,365	(108,576)
Total		7,028,923	6,306,785	722,137

(Notes)

- "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 consolidated balance sheets.
- "Available-for-sale securities" without readily determinable fair value are not included in the above table.

As of March 31, 2013

(Yen in millions)

Items		Carrying amount	Cost	Difference
Securities with fair value exceeding the acquisition cost	Domestic bonds	3,924,222	3,689,939	234,283
	Domestic stock	2,013,553	1,022,934	990,618
	Foreign securities	991,096	900,485	90,611
	Other securities	93,605	84,462	9,143
	Subtotal	7,022,477	5,697,821	1,324,655
Securities with fair value not exceeding the acquisition cost	Domestic bonds	221,420	223,248	(1,828)
	Domestic stock	195,058	220,112	(25,053)
	Foreign securities	280,292	290,482	(10,189)
	Other securities	57,511	57,816	(305)
	Subtotal	754,282	791,659	(37,377)
Total		7,776,760	6,489,481	1,287,278

(Notes)

- "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 consolidated balance sheets.
- "Available-for-sale securities" without readily determinable fair value are not included in the above table.

5. Available-for-sale securities sold during the fiscal year

Year ended March 31, 2012 (From April 1, 2011 to March 31, 2012)

(Yen in millions)

Items	Proceeds from sales	Gross gains on sales	Gross losses on sales
Domestic bonds	508,936	19,659	2,169
Domestic stock	112,294	27,948	4,394
Foreign securities	482,172	9,532	23,787
Other securities	3,517	-	732
Total	1,106,920	57,141	31,083

Year ended March 31, 2013 (From April 1, 2012 to March 31, 2013)

(Yen in millions)

Items	Proceeds from sales	Gross gains on sales	Gross losses on sales
Domestic bonds	503,843	11,958	2,620
Domestic stock	147,410	55,743	6,292
Foreign securities	400,443	14,534	5,472
Other securities	34,175	2,568	-
Total	1,085,872	84,805	14,385

6. Securities on which impairment losses were recognized

For the year ended March 31, 2012, the Company and its consolidated subsidiaries recognized impairment losses of ¥26,109 million on Available-for-sale securities other than those without readily determinable fair value

(comprised of ¥1,455 million on Domestic bonds, ¥23,466 million on Domestic stock and ¥1,187 million on Foreign securities) and ¥3,355 million on Available-for-sale securities without readily determinable fair value (comprised of ¥2,144 million on Domestic stock, ¥928 million on Foreign securities and ¥282 million on

For the year ended March 31, 2013, the Company and its consolidated subsidiaries recognized impairment losses of ¥34,030 million on Available-for-sale securities other than those without readily determinable fair value

(comprised of ¥32,608 million on Domestic bonds, ¥1,422 million on Foreign securities and ¥0 million on Other securities) and ¥4,234 million on Available-for-sale securities without readily determinable fair value (comprised of ¥3,997 million on Domestic stock, ¥225 million on Foreign securities and ¥11 million on Other

In principle, the Company and its domestic consolidated subsidiaries recognize impairment losses on securities if the fair value declines by 30% or more from the cost.

(Notes to Derivative Financial Instruments)

1. Derivative transactions to which hedge accounting is not applied

(1) Currency-related derivatives

As of March 31, 2012

(Yen in millions)

Type	Classification	Notional amounts		Fair value	Valuation gains/(losses)
			Over 1 year		
OTC transactions	Foreign exchange contracts				
	Short	34,518	-	220	220
	Long	43,137	-	385	385
	Currency options				
	Short	121	-	(8)	1
	Long	8,878	-	41	(76)
Total		-	-	639	531

(Notes) Calculation method of fair value

1. Fair value of foreign exchange contracts is determined based on the forward exchange rate, which is observed in the active market.
2. Fair value of currency options is determined based on the option pricing models.

As of March 31, 2013

(Yen in millions)

Type	Classification	Notional amounts		Fair value	Valuation gains/(losses)
			Over 1 year		
OTC transactions	Foreign exchange contracts				
	Short	25,788	-	31	31
	Long	35,749	-	216	216
	Currency options				
	Short	582	-	(48)	5
	Long	255	-	0	(0)
Total		-	-	199	252

(Notes) Calculation method of fair value

1. Fair value of foreign exchange contracts is determined based on the forward exchange rate, which is observed in the active market.
2. Fair value of currency options is determined based on the option pricing models.

(2) Interest-related derivatives

As of March 31, 2012

(Yen in millions)

Type	Classification	Notional amounts		Fair value	Valuation gains/(losses)
			Over 1 year		
Market transactions	Interest rate future contracts Short	817	-	(0)	(0)
OTC transactions	Interest rate swaps				
	Receiving fixed, paying floating rates	424,689	356,689	6,610	6,610
	Receiving floating, paying fixed rates	483,700	350,500	(6,623)	(6,623)
	Interest rate options				
	Swaption				
	Short	70,000	37,000	(710)	160
	Long	62,503	42,503	911	7
	Total	-	-	187	154

(Notes) Calculation method of fair value

1. Fair value of interest rate future contracts is determined based on the closing price of principal exchange market.
2. Fair value of interest rate swaps is calculated by discounting expected future cash flows to the present value based on the interest rates at the end of the fiscal year, which is observed in the active market. Fair value of some interest-related derivatives is determined based on the price obtained from counterparties (financial institutions).
3. Fair value of interest rate options is determined based on the option pricing models.

As of March 31, 2013

(Yen in millions)

Type	Classification	Notional amounts		Fair value	Valuation gains/(losses)
			Over 1 year		
OTC transactions	Interest rate swaps				
	Receiving fixed, paying floating rates	434,994	338,994	7,447	7,447
	Receiving floating, paying fixed rates	413,600	281,000	(7,035)	(7,035)
	Interest rate options				
	Swaption				
	Short	127,000	103,000	(1,417)	39
	Long	130,573	91,073	1,500	266
	Total	-	-	494	717

(Notes) Calculation method of fair value

1. Fair value of interest rate swaps is calculated by discounting expected future cash flows to the present value based on the interest rates at the end of the fiscal year, which is observed in the active market. Fair value of some interest-related derivatives is determined based on the price obtained from counterparties (financial institutions).
2. Fair value of interest rate options is determined based on the option pricing models.

(3) Equity-related derivatives

As of March 31, 2012

(Yen in millions)

Type	Classification	Notional amounts		Fair value	Valuation gains/(losses)
			Over 1 year		
Market transactions	Equity index options				
	Short	375	-	(9)	0
Total		-	-	(9)	0

(Note) Calculation method of fair value

Fair value of equity index options is determined based on the closing price of principal exchange market.

As of March 31, 2013

(Yen in millions)

Type	Classification	Notional amounts		Fair value	Valuation gains/(losses)
			Over 1 year		
Market transactions	Equity index future contracts				
	Short	10,157	-	(323)	(323)
	Equity index options				
	Short	836	-	(0)	0
	Long	900	-	0	(1)
Total		-	-	(323)	(325)

(Note) Calculation method of fair value

Fair value of equity index future contracts and equity index options is determined based on the closing price of principal exchange market.

(4) Bond-related derivatives

As of March 31, 2012

Not applicable.

As of March 31, 2013

(Yen in millions)

Type	Classification	Notional amounts		Fair value	Valuation gains/(losses)
			Over 1 year		
Market transactions	Bond future contracts				
	Short	28,818	-	(226)	(226)
Total		-	-	(226)	(226)

(Note) Calculation method of fair value

Fair value of bond future contracts is determined based on the closing price of principal exchange market.

(5) Credit-related derivatives

As of March 31, 2012

(Yen in millions)

Type	Classification	Notional amounts		Fair value	Valuation gains/(losses)
			Over 1 year		
OTC transactions	Credit derivatives Sell protection	351,391	114,865	(4,140)	(4,140)
Total		-	-	(4,140)	(4,140)

(Notes)

1. Calculation method of fair value

Fair value of credit derivatives is determined based on the pricing model by considering factors such as credit risks and duration of the underlying contracts. Fair value of some credit-related derivatives is determined based on the price obtained from counterparties (financial institutions).

2. "Sell protection" represents credit risk taking.

As of March 31, 2013

(Yen in millions)

Type	Classification	Notional amounts		Fair value	Valuation gains/(losses)
			Over 1 year		
OTC transactions	Credit derivatives Sell protection	184,687	168,044	(2,066)	(2,066)
	Buy protection	1,175	-	562	562
Total		-	-	(1,503)	(1,503)

(Notes)

1. Calculation method of fair value

Fair value of credit derivatives is determined based on the pricing model by considering factors such as credit risks and duration of the underlying contracts. Fair value of some credit-related derivatives is determined based on the price obtained from counterparties (financial institutions).

2. "Sell protection" represents credit risk taking and "Buy protection" represents credit risk transfer.

(6) Others**As of March 31, 2012**

(Yen in millions)

Type	Classification	Notional amounts		Fair value	Valuation gains/(losses)
			Over 1 year		
OTC transactions	Weather derivatives				
	Short	1	-	-	0
	Long	1	-	-	(0)
	Natural disaster derivatives				
	Short	4,265	120	(98)	58
	Long	4,838	108	59	(46)
	Others				
	Short	5,692	3,625	194	194
	Long	5,963	3,721	(194)	(194)
	Contracts of underwriting comprehensive risks	-	-	(172)	(172)
	Total	-	-	(211)	(160)

(Note) Calculation method of fair value

Fair value is determined based on the option pricing models, etc.

In addition, fair value of contracts of underwriting comprehensive risks is determined based on the price obtained from counterparties.

As of March 31, 2013

(Yen in millions)

Type	Classification	Notional amounts		Fair value	Valuation gains/(losses)
			Over 1 year		
OTC transactions	Weather derivatives				
	Short	31	28	(8)	(5)
	Long	31	28	8	5
	Natural disaster derivatives				
	Short	18,224	9,727	(519)	320
	Long	16,256	9,205	360	(228)
	Others				
	Short	3,312	1,933	160	160
	Long	3,408	2,025	(160)	(160)
	Contracts of underwriting comprehensive risks	-	-	176	176
	Total	-	-	17	268

(Note) Calculation method of fair value

Fair value is determined based on the option pricing models, etc.

In addition, fair value of contracts of underwriting comprehensive risks is determined based on the price obtained from counterparties.

2. Derivative transactions to which hedge accounting is applied

(1) Currency-related derivatives

As of March 31, 2012

(Yen in millions)

Hedge accounting method	Classification	Main hedged item	Notional amounts		Fair value
				Over 1 year	
Allocation method (Foreign exchange contracts, etc.)	Foreign exchange contracts	Foreign currency time deposits	29,898	-	(Note 2)
	Short				
	Currency swaps	Issued foreign currency bonds	106,191	106,191	
Fair value hedge method	Foreign exchange contracts	Available-for-sale securities	217,550	-	(12,435)
	Short				
Deferred hedge method	Currency swaps	Available-for-sale securities	8,389	6,241	236
Total			-	-	(12,198)

(Notes)

1. Calculation method of fair value

(1) Foreign exchange contracts

Fair value of foreign exchange contracts is determined based on the forward exchange rate, which is observed in the active market.

(2) Currency swaps

Fair value of currency swaps is calculated by discounting future cash flows to the present value, etc.

2. These are not measured at fair value since hedged items are translated at the foreign exchange rates that are stipulated in the foreign exchange contracts (hedging instruments).

As of March 31, 2013

(Yen in millions)

Hedge accounting method	Classification	Main hedged item	Notional amounts		Fair value
				Over 1 year	
Allocation method (Foreign exchange contracts, etc.)	Foreign exchange contracts	Foreign currency time deposits	29,930	-	(Note 2)
	Short				
	Currency swaps	Issued foreign currency bonds	106,191	106,191	
Fair value hedge method	Foreign exchange contracts	Available-for-sale securities	259,193	-	(27,925)
	Short				
Deferred hedge method	Currency swaps	Available-for-sale securities	6,241	-	(643)
Total			-	-	(28,568)

(Notes)

1. Calculation method of fair value

(1) Foreign exchange contracts

Fair value of foreign exchange contracts is determined based on the forward exchange rate, which is observed in the active market.

(2) Currency swaps

Fair value of currency swaps is calculated by discounting future cash flows to the present value, etc.

2. These are not measured at fair value since hedged items are translated at the foreign exchange rates that are stipulated in the foreign exchange contracts (hedging instruments).

(2) Interest-related derivatives

As of March 31, 2012

(Yen in millions)

Hedge accounting method	Classification	Main hedged item	Notional amounts		Fair value
				Over 1 year	
Deferred hedge method	Interest rate swaps Receiving fixed, paying floating rates	Loans	2,755	-	14
	Interest rate swaps Receiving fixed, paying floating rates	Insurance liabilities	297,620	297,620	23,999
Total			-	-	24,014

(Note) Calculation method of fair value

Fair value of interest rate swaps is calculated by discounting expected future cash flows to the present value based on the interest rates at the end of the fiscal year, which is observed in the active market.

As of March 31, 2013

(Yen in millions)

Hedge accounting method	Classification	Main hedged item	Notional amounts		Fair value
				Over 1 year	
Deferred hedge method	Interest rate swaps Receiving floating, paying fixed rates	Loan payables	50,000	50,000	176
	Interest rate swaps Receiving fixed, paying floating rates	Insurance liabilities	305,320	305,320	39,132
Total			-	-	39,308

(Note) Calculation method of fair value

Fair value of interest rate swaps is calculated by discounting expected future cash flows to the present value based on the interest rates at the end of the fiscal year, which is observed in the active market.

(3) Equity-related derivatives

As of March 31, 2012

(Yen in millions)

Hedge accounting method	Classification	Main hedged item	Notional amounts		Fair value
				Over 1 year	
Fair value hedge method	Equity forward contracts Short	Available-for-sale securities	9,011	6,691	(135)
Total			-	-	(135)

(Note) Calculation method of fair value

Fair value of equity forward contracts is determined based on the price obtained from counterparties (financial institutions).

As of March 31, 2013

(Yen in millions)

Hedge accounting method	Classification	Main hedged item	Notional amounts		Fair value
				Over 1 year	
Fair value hedge method	Equity forward contracts Short	Available-for-sale securities	18,116	-	(2,791)
Total			-	-	(2,791)

(Note) Calculation method of fair value

Fair value of equity forward contracts is determined based on the price obtained from counterparties (financial institutions).

(Notes to Retirement Benefits)

1. Overview of the retirement benefit plans

MSI and ADI have established a defined-benefit pension plan and a lump-sum retirement allowance plan as defined-benefit type schemes as well as a defined-contribution pension plan as a defined-contribution type scheme.

In addition, ADI has established a retirement benefits trust.

Other domestic consolidated subsidiaries and some overseas consolidated subsidiaries have also established defined-benefit type or defined-contribution type retirement benefit plans.

In addition, ADI transferred part of its defined-benefit type scheme to a defined-contribution pension plan due to the revision of the retirement benefit scheme in October 2011.

2. Retirement benefit obligations

	(Yen in millions)	
	March 31, 2012	March 31, 2013
(i) Retirement benefit obligations	(455,477)	(475,736)
(ii) Plan assets	343,022	381,294
(iii) Unfunded retirement benefit obligations (i + ii)	(112,455)	(94,441)
(iv) Unrecognized actuarial losses/(gains)	38,306	16,230
(v) Unrecognized prior service costs	(1,206)	(854)
(vi) Net carrying amount on the balance sheet (iii + iv + v)	(75,354)	(79,065)
(vii) Prepaid pension expenses	30,796	32,065
(viii) Reserve for pension and retirement benefits (vi - vii)	(106,151)	(111,130)

(Note)

Some of the consolidated subsidiaries use the simplified method in calculating retirement benefit obligations.

3. Retirement benefit expenses

	(Yen in millions)	
	Year ended March 31, 2012	Year ended March 31, 2013
(i) Service costs	17,149	16,927
(ii) Interest costs	9,058	9,049
(iii) Expected return on plan assets	(7,210)	(7,379)
(iv) Amortization of unrecognized actuarial gains and losses	7,341	6,378
(v) Amortization of unrecognized prior service costs	(190)	(351)
(vi) Retirement benefit expenses (i + ii + iii + iv + v)	26,149	24,623
(vii) Amount of expenses associated with revision of retirement benefit plan	(476)	-
(viii) Others	3,544	3,677
Total	29,216	28,301

(Notes)

1. Retirement benefit expenses relating to the consolidated subsidiaries adopting the simplified method are included in "(i) Service costs".

2. "(viii) Others" represents premiums paid for defined-contribution pension plans (including overseas pension plans).

4. Actuarial assumptions for calculation of retirement benefit obligations

(i) Attribution method of retirement benefits over service period

The benefit/years of service method

(ii) Discount rate

Year ended March 31, 2012	Year ended March 31, 2013
Mainly 2.00 %	Mainly 1.10 to 2.00 %

(iii) Expected rate of return on plan assets

	Year ended March 31, 2012	Year ended March 31, 2013
Employee's retirement benefit trusts	0.00%	0.00%
Others	Mainly 2.00 to 3.00 %	Mainly 2.00 to 3.00 %

(iv) Amortization period for unrecognized prior service costs

Year ended March 31, 2012	Year ended March 31, 2013
4 years	4 years

(Note)

Unrecognized prior service costs are amortized using the straight-line method over a certain number of years that do not exceed the average remaining service period of employees at the time of occurrence.

(v) Amortization period for unrecognized actuarial gains and losses

Year ended March 31, 2012	Year ended March 31, 2013
Mainly 10 to 11 years	Mainly 10 to 11 years

(Note)

Unrecognized actual gains and losses are amortized, commencing from the following year, using the straight-line method over a certain number of years that do not exceed the average remaining service period of employees at the time of occurrence.

(Notes to Net Assets and Net Income Per Share)

(Yen)

	Year ended March 31, 2012	Year ended March 31, 2013
Net assets per share	2,400.48	3,215.33
Net income/(loss) per share	(272.49)	134.46

(Notes)

1. Since net loss was recognized and there was no potential dilution for the fiscal year ended March 31, 2012, diluted net income/(loss) per share is not disclosed.
2. Since there was no potential dilution for the fiscal year ended March 31, 2013, diluted net income/(loss) per share is not disclosed.
3. The basis for calculation of net income/(loss) per share is as follows.

	Year ended March 31, 2012	Year ended March 31, 2013
Net income/(loss) (Yen in millions)	(169,469)	83,625
Net income/(loss) not attributable to common shareholders (Yen in millions)	-	-
Net income/(loss) attributable to common shares (Yen in millions)	(169,469)	83,625
Average outstanding common shares during the year (in thousands of shares)	621,907	621,896

4. The basis for calculation of net assets per share is as follows.

	Year ended March 31, 2012	Year ended March 31, 2013
Total net assets (Yen in millions)	1,512,134	2,021,625
Amounts deduced from net assets: (Yen in millions)	19,268	22,046
Minority interests included in the above (Yen in millions)	19,268	22,046
Net assets at the year-end attributable to common shares (Yen in millions)	1,492,866	1,999,579
Outstanding common shares (in thousands of shares)	621,902	621,888

(Notes to Significant Subsequent Events)

Not applicable.