

SUMMARY OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

May 18, 2018

Name of Listed Company: **MS&AD Insurance Group Holdings, Inc.**
 Stock Exchange Listing: Tokyo Stock Exchange and Nagoya Stock Exchange
 Securities Code Number: 8725
 URL: <http://www.ms-ad-hd.com>
 Representative: Yasuyoshi Karasawa, President & CEO
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Scheduled date to hold the ordinary general meeting of shareholders: June 25, 2018
 Scheduled date to file the Securities Report: June 25, 2018
 Scheduled date to commence dividend payments: June 26, 2018
 Explanatory material for business results: Available
 IR Conference (for institutional investors and analysts): To be held

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

1. Consolidated Financial Highlights for the Year Ended March 31, 2018 (April 1, 2017 to March 31, 2018)

(1) Consolidated business performance (Yen in millions)

| | Ordinary income | | Ordinary profit | | Net income attributable to owners of the parent | |
|---------------------------|-----------------|---------|-----------------|----------|---|----------|
| Year ended March 31, 2018 | 5,217,835 | (2.2) % | 211,548 | (40.0) % | 154,057 | (26.8) % |
| Year ended March 31, 2017 | 5,335,239 | 6.4 % | 352,612 | 20.9 % | 210,447 | 15.9 % |

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

(Note) Comprehensive income For the year ended March 31, 2018: ¥ 311,096 million 172.2 %
 For the year ended March 31, 2017: ¥ 114,294 million - %

(Yen)

| | Net income attributable to owners of the parent per share - Basic | Net income attributable to owners of the parent per share - Diluted | Return on equity | Ordinary profit to total assets | Ordinary profit to ordinary income |
|---------------------------|---|---|------------------|---------------------------------|------------------------------------|
| Year ended March 31, 2018 | 260.04 | 259.98 | 5.5 % | 1.0 % | 4.1 % |
| Year ended March 31, 2017 | 350.94 | 350.90 | 7.8 % | 1.7 % | 6.6 % |

(Reference) Gains/(losses) on equity method investments For the year ended March 31, 2018: ¥ 3,017 million
 For the year ended March 31, 2017: ¥ 2,112 million

(2) Consolidated financial conditions (Yen in millions)

| | Total assets | Net assets | Ratio of net assets less non-controlling interests to total assets | Net assets less non-controlling interests per share (Yen) |
|----------------|--------------|------------|--|---|
| March 31, 2018 | 22,472,927 | 2,968,387 | 13.1 % | 4,964.64 |
| March 31, 2017 | 21,234,300 | 2,734,432 | 12.8 % | 4,572.82 |

(Reference) Net assets less non-controlling interests As of March 31, 2018: ¥ 2,941,112 million
 As of March 31, 2017: ¥ 2,708,978 million

(3) Consolidated cash flows (Yen in millions)

| | Cash flows from operating activities | Cash flows from investing activities | Cash flows from financing activities | Ending balance of cash and cash equivalents |
|---------------------------|--------------------------------------|--------------------------------------|--------------------------------------|---|
| Year ended March 31, 2018 | 822,640 | (963,105) | 42,329 | 1,323,506 |
| Year ended March 31, 2017 | 1,086,948 | (614,899) | (100,198) | 1,415,903 |

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, 2017 | - | 50.00 | - | 70.00 | 120.00 | 71,489 | 34.2 % | 2.7 % |
| Year ended March 31, 2018 | - | 65.00 | - | 65.00 | 130.00 | 77,014 | 50.0 % | 2.7 % |
| Year ending March 31, 2019 (Forecast) | - | 65.00 | - | 65.00 | 130.00 | | 38.5 % | |

3. Consolidated Earnings Forecasts for the Year Ending March 31, 2019 (April 1, 2018 to March 31, 2019)

(Yen in millions)

| | Ordinary profit | | Net income attributable to owners of the parent | | Net income attributable to owners of the parent per share (Yen) |
|----------------------------|-----------------|--------|---|--------|---|
| Year ending March 31, 2019 | 295,000 | 39.4 % | 200,000 | 29.8 % | 337.60 |

Percent figures represent changes from the preceding year.

*** Notes**

(1) Changes in significant subsidiaries for the period (changes in specified subsidiaries resulting in changes in scope of consolidation): Yes

Increase 0

Decrease 2 (Solo Absolute Bonds and Currency Fund, Amlin Bermuda Holdings, Ltd.)

(2) 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: None

3. Changes in accounting estimates: None

4. Restatements: None

(3) Number of shares of issued stock (common stock)

1. Number of shares of issued stock (including treasury stock)

As of March 31, 2018: 593,291,754 shares

As of March 31, 2017: 633,291,754 shares

2. Number of shares of treasury stock

As of March 31, 2018: 880,702 shares

As of March 31, 2017: 40,884,055 shares

3. Average number of shares of outstanding stock

For the year ended March 31, 2018: 592,418,361 shares

For the year ended March 31, 2017: 599,655,359 shares

*** This report is unaudited.**

*** Notes to the earnings forecasts and others**

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 and other relevant information, please refer to "Consolidated Earnings Forecasts for the Year Ending March 31, 2019" on page 3 of the Appendix. The forecasts of consolidated ordinary income for the fiscal year and consolidated earnings for the second quarter (cumulative) are not disclosed due to difficulties in calculating reasonable forecast figures stemming from a high susceptibility to natural disasters and market conditions.

[Appendix]

Contents

| | Page |
|--|------|
| 1. Overview of Business Performance and Forecasts | |
| (1) Overview of Business Performance and Financial Conditions in the Fiscal Year under Review | 2 |
| (2) Consolidated Earnings Forecasts for the Year Ending March 31, 2019 | 3 |
| 2. Basic Stance for Adopting Accounting Standards | 3 |
| 3. Consolidated Financial Statements and Main Notes | |
| (1) Consolidated Balance Sheets | 4 |
| (2) Consolidated Statements of Income and Comprehensive Income | 6 |
| (3) Consolidated Statements of Changes in Net Assets | 9 |
| (4) Consolidated Statements of Cash Flows | 11 |
| (5) Notes to Consolidated Financial Statements | |
| (Notes to Going Concern Assumptions) | 13 |
| (Notes to Segment Information) | 13 |
| (Notes to Per Share Information) | 18 |
| (Notes to Significant Subsequent Events) | 18 |

[Attachment]

Explanatory Material for Business Results for the Year Ended March 31, 2018

1. Overview of Business Performance and Forecasts

(1) Overview of Business Performance and Financial Conditions in the Fiscal Year under Review (Overview of business performance in the fiscal year under review)

In spite of concerns about the impact of unstable political situations and financial markets, the global economy was generally firm in the fiscal year under review with economic recoveries continuing in the U.S. and Europe. Against such a global economy, the Japanese economy also recovered moderately, reflecting continued improvement in corporate earnings, employment and income conditions among other factors.

In the non-life insurance industry, despite an increase in premium revenues reflecting these economic trends, the results were severely affected by natural disasters such as typhoons in Japan and hurricanes in North America. In the life insurance industry, the amount of policies in force remained at the same level as in the previous year, despite a decline in the amount of new policies for personal insurance due to the impact of the revision of the premium rate.

In such a business environment, during the last year of the medium-term management plan "Next Challenge 2017" that began in FY2014, the Group pursued "Completion of reorganization by function", "Strengthening of Group governance and promotion of ERM (Enterprise Risk Management)", "Transformation of business structure to respond to future changes in the environment", and "Permeation of a corporate culture and development of human assets that meet challenges as professionals" based on the Group's basic strategy to enhance the corporate value of the Group as a whole by focusing on ensuring sustainable growth, improving profitability, securing financial soundness and enhancing capital efficiency.

In regard to reorganization by function, Mitsui Sumitomo Insurance Co., Ltd., Aioi Nissay Dowa Insurance Co., Ltd. and Mitsui Sumitomo Aioi Life Insurance Co., Ltd. pursued initiatives to promote growth and efficiency in the Group as a whole, such as the joint development of non-life claims service systems, transfer of long-term policies in force of the third sector, and consolidation and reorganization of the head office functions.

As a result of these efforts, earnings for the current consolidated fiscal year to date are as follows.

Underwriting income was ¥4,648.1 billion, investment income was ¥550.8 billion and other ordinary income was ¥18.8 billion, resulting in total ordinary income of ¥5,217.8 billion. At the same time, ordinary expenses amounted to ¥5,006.2 billion, including ¥4,157.7 billion in underwriting expenses, ¥163.1 billion in investment expenses, ¥669.6 billion in operating expenses and general and administrative expenses, and other ordinary expenses amounting to ¥15.6 billion.

As a result, affected by incurred losses (total of net losses paid and provision for outstanding claims reserves) from several natural catastrophes in Japan and overseas, the Company posted an ordinary profit of ¥211.5 billion, a decrease of ¥141.0 billion over the previous fiscal year. After factoring in extraordinary income and losses, income taxes and other items, net income fell by ¥56.3 billion over the previous fiscal year to ¥154.0 billion.

Summaries of each business segment are given below.

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

Ordinary income was ¥1,859.9 billion after recording underwriting income of ¥1,654.7 billion, investment income of ¥199.9 billion, and other ordinary income of ¥5.2 billion. Meanwhile, ordinary expenses came to ¥1,597.3 billion resulting from underwriting expenses of ¥1,357.6 billion, investment expenses of ¥9.3 billion, operating expenses and general and administrative expenses of ¥222.5 billion, and other ordinary expenses of ¥7.7 billion.

As a result, ordinary profit was ¥262.5 billion with an increase of ¥47.0 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 ¥198.2 billion with an increase of ¥33.6 billion from the previous fiscal year.

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

Ordinary income was ¥1,335.2 billion after recording underwriting income of ¥1,265.3 billion, investment income of ¥61.0 billion, and other ordinary income of ¥8.9 billion. Meanwhile, ordinary expenses came to ¥1,329.6 billion resulting from underwriting expenses of ¥1,087.1 billion, investment expenses of ¥57.8 billion, operating expenses and general and administrative expenses of ¥182.7 billion, and other ordinary expenses of ¥1.8 billion.

As a result, ordinary profit was ¥5.6 billion with a decrease of ¥69.5 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 ¥15.6 billion with a decrease of ¥34.7 billion from the previous fiscal year.

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

Ordinary income was ¥37.9 billion after recording underwriting income of ¥37.8 billion and others, meanwhile, ordinary expenses came to ¥37.5 billion resulting from underwriting expenses of ¥28.9 billion and operating expenses and general and administrative expenses of ¥8.5 billion.

As a result, ordinary profit was ¥0.4 billion with an increase of ¥1.4 billion from the previous fiscal year, meanwhile, net income was ¥0.3 billion with an increase of ¥1.3 billion from the previous fiscal year. Consequently, net income after taking ownership interests into account (net income by segment) was ¥0.2 billion with an increase of ¥1.2 billion from net loss in the previous fiscal year.

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

Ordinary income was ¥550.4 billion after recording insurance premiums and others of ¥493.7 billion, investment income of ¥53.8 billion, and other ordinary income of ¥2.9 billion. Meanwhile, ordinary expenses came to ¥533.5 billion resulting from insurance claims and others of ¥189.3 billion, provision for underwriting reserves and others of ¥247.7 billion, investment expenses of ¥3.8 billion, operating expenses of ¥79.3 billion, and other ordinary expenses of ¥13.0 billion.

As a result, ordinary profit was ¥16.9 billion with an increase of ¥0.8 billion from the previous fiscal year. After factoring in extraordinary income and losses, income taxes and other factors to ordinary profit, net income of ¥5.2 billion was reported with an increase of ¥0.6 billion from the previous fiscal year.

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

Ordinary income was ¥1,256.4 billion after recording insurance premiums and others of ¥1,059.5 billion, investment income of ¥193.6 billion, and other ordinary income of ¥3.2 billion. Meanwhile, ordinary expenses came to ¥1,227.5 billion resulting from insurance claims and others of ¥694.8 billion, provision for underwriting reserves and others of ¥355.2 billion, investment expenses of ¥118.8 billion, operating expenses of ¥50.2 billion, and other ordinary expenses of ¥8.3 billion.

As a result, ordinary profit was ¥28.9 billion with a decrease of ¥28.7 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 ¥29.2 billion with an increase of ¥8.5 billion from the previous fiscal year.

6) International Business (Overseas Insurance Subsidiaries)

Net premiums written in the overseas insurance subsidiaries segment decreased by ¥10.7 billion compared to the previous fiscal year to ¥682.3 billion.

Ordinary loss was ¥104.3 billion with a decrease of ¥144.3 billion from the previous fiscal year mainly due to the impact of overseas natural catastrophes that occurred one after another, and net loss (net loss by segment) came to ¥104.6 billion with a decrease of ¥128.7 billion from the previous fiscal year.

(Overview of Financial Conditions in the Fiscal Year under Review)

Total assets as at March 31, 2018 stood at ¥22,472.9 billion with an increase of ¥1,238.6 billion from the end of the previous fiscal year, and net assets stood at ¥2,968.3 billion with an increase of ¥233.9 billion mainly due to an increase in net unrealized gains/(losses) on investments in securities.

(Overview of Cash Flows in the Fiscal Year under Review)

With regard to cash flows in the fiscal year under review, net cash flows from operating activities decreased by ¥264.3 billion over the previous year to ¥822.6 billion, mainly due to a decrease in life insurance premiums. Net cash flows from investing activities decreased by ¥348.2 billion from the previous year, mainly due to an increase in purchase of securities, to ¥(963.1) billion. In addition, net cash flows from financing activities were ¥42.3 billion, an increase of ¥142.5 billion over the previous year, which mainly reflected a decline in repayments of borrowings. As a result, the balance of cash and cash equivalents at the end of the fiscal year under review stood at ¥1,323.5 billion, a decrease of ¥92.3 billion from the end of the previous fiscal year.

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 markets. 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) Consolidated Earnings Forecasts for the Year Ending March 31, 2019

Based on the assumptions below, the Company forecasts ordinary profit of ¥295.0 billion and net income attributable to owners of the parent of ¥200.0 billion on a consolidated basis for the year ending March 31, 2019.

- The forecast of net premiums written is based on the Company's own estimate taking into account the trends in the consolidated business results.
- Incurred losses (the sum total of net claims paid and provision for outstanding claims) in relation to new domestic natural catastrophes are projected to be ¥31.0 billion at Mitsui Sumitomo Insurance Co., Ltd. and ¥20.0 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 2018.

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. Basic Stance for Adopting Accounting Standards

The Company is considering adopting International Financial Reporting Standards (IFRS) to improve international comparability of financial information for the capital market, and necessary actions such as information gathering and examination of introducing process are being conducted. The adoption date has not yet been determined, but it is expected to be decided following the progress in discussion of the accounting standard for insurance contracts (IFRS 17) and other factors.

3. Consolidated Financial Statements and Main Notes

(1) Consolidated Balance Sheets

(Yen in millions)

| | March 31, 2017 | March 31, 2018 |
|---|-------------------|-------------------|
| Assets | | |
| Cash, deposits and savings | 1,419,267 | 1,481,694 |
| Call loans | 15,000 | - |
| Receivables under resale agreements | 6,999 | 6,999 |
| Receivables under securities borrowing transactions | 285,455 | 309,644 |
| Monetary claims bought | 111,320 | 140,133 |
| Money trusts | 971,119 | 1,043,506 |
| Investments in securities | 15,303,103 | 16,152,966 |
| Loans | 886,316 | 892,599 |
| Tangible fixed assets: | 464,955 | 459,624 |
| Land | 232,151 | 231,456 |
| Buildings | 196,693 | 191,374 |
| Lease assets | 2,943 | 2,711 |
| Construction in progress | 1,658 | 2,379 |
| Other tangible fixed assets | 31,508 | 31,701 |
| Intangible fixed assets: | 417,156 | 549,502 |
| Software | 74,572 | 57,491 |
| Goodwill | 163,415 | 229,221 |
| Lease assets | 3 | 218 |
| Other intangible fixed assets | 179,164 | 262,570 |
| Other assets | 1,225,719 | 1,297,829 |
| Assets for retirement benefits | 32,452 | 30,645 |
| Deferred tax assets | 55,660 | 68,026 |
| Customers' liabilities under acceptances and guarantees | 50,530 | 49,500 |
| Bad debt reserve | (10,756) | (9,746) |
| Total assets | 21,234,300 | 22,472,927 |
| Liabilities | | |
| Policy liabilities: | 16,156,153 | 16,964,512 |
| Outstanding claims | 1,982,354 | 2,213,650 |
| Underwriting reserves | 14,173,799 | 14,750,861 |
| Bonds issued | 456,191 | 558,191 |
| Other liabilities | 1,226,769 | 1,328,675 |
| Liabilities for pension and retirement benefits | 190,562 | 184,569 |
| Reserve for retirement benefits for officers | 640 | 538 |
| Accrued bonuses for employees | 28,396 | 27,592 |
| Reserve for reorganization by function | 22,097 | 16,341 |
| Reserves under the special laws: | 194,960 | 152,928 |
| Reserve for price fluctuation | 194,960 | 152,928 |
| Deferred tax liabilities | 173,566 | 221,690 |
| Acceptances and guarantees | 50,530 | 49,500 |
| Total liabilities | 18,499,867 | 19,504,540 |

(Yen in millions)

| | March 31, 2017 | March 31, 2018 |
|---|-------------------|-------------------|
| Net assets | | |
| Shareholders' equity: | | |
| Common stock | 100,000 | 100,000 |
| Capital surplus | 669,458 | 554,320 |
| Retained earnings | 775,877 | 849,044 |
| Treasury stock | (120,050) | (2,599) |
| Total shareholders' equity | <u>1,425,285</u> | <u>1,500,765</u> |
| Accumulated other comprehensive income: | | |
| Net unrealized gains/(losses) on investments in securities | 1,360,859 | 1,487,258 |
| Net deferred gains/(losses) on hedges | 23,472 | 20,043 |
| Foreign currency translation adjustments | (91,219) | (66,274) |
| Accumulated actuarial gains/(losses) on retirement benefits | (9,420) | (679) |
| Total accumulated other comprehensive income | <u>1,283,692</u> | <u>1,440,346</u> |
| Stock acquisition rights | <u>307</u> | <u>566</u> |
| Non-controlling interests | <u>25,147</u> | <u>26,709</u> |
| Total net assets | <u>2,734,432</u> | <u>2,968,387</u> |
| Total liabilities and net assets | <u>21,234,300</u> | <u>22,472,927</u> |

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

(Yen in millions)

| | Year ended March 31, 2017 | Year ended March 31, 2018 |
|---|------------------------------|------------------------------|
| Ordinary income: | 5,335,239 | 5,217,835 |
| Underwriting income: | 4,810,863 | 4,648,110 |
| Net premiums written | 3,407,389 | 3,440,976 |
| Deposit premiums from policyholders | 98,546 | 86,371 |
| Investment income on deposit premiums from policyholders | 45,405 | 43,130 |
| Life insurance premiums | 1,253,167 | 1,058,278 |
| Other underwriting income | 6,353 | 19,353 |
| Investment income: | 507,283 | 550,838 |
| Interest and dividends income | 272,556 | 286,229 |
| Investment gains on money trusts | 16,056 | 8,795 |
| Investment gains on trading securities | 50,255 | 29,424 |
| Gains on sales of securities | 92,602 | 151,934 |
| Gains on redemption of securities | 718 | 1,092 |
| Investment gains on separate accounts | 81,380 | 115,299 |
| Other investment income | 39,118 | 1,194 |
| Transfer of investment income on deposit premiums from policyholders | (45,405) | (43,130) |
| Other ordinary income: | 17,093 | 18,886 |
| Gains on equity method investments | 2,112 | 3,017 |
| Other ordinary income | 14,980 | 15,868 |
| Ordinary expenses: | 4,982,626 | 5,006,286 |
| Underwriting expenses: | 4,256,352 | 4,157,768 |
| Net claims paid | 1,831,876 | 1,935,165 |
| Loss adjustment expenses | 169,562 | 171,041 |
| Commissions and collection expenses | 681,003 | 689,066 |
| Maturity refunds to policyholders | 236,800 | 241,099 |
| Dividends to policyholders | 526 | 283 |
| Life insurance claims | 330,897 | 376,130 |
| Provision for outstanding claims | 71,394 | 179,565 |
| Provision for underwriting reserves | 908,160 | 558,519 |
| Other underwriting expenses | 26,131 | 6,897 |
| Investment expenses: | 55,096 | 163,183 |
| Investment losses on money trusts | 1,034 | 13,748 |
| Losses on sales of securities | 12,769 | 8,996 |
| Impairment losses on securities | 2,034 | 1,512 |
| Losses on redemption of securities | 1,118 | 584 |
| Losses on derivative transactions | 31,628 | 14,498 |
| Other investment expenses | 6,512 | 123,843 |
| Operating expenses and general and administrative expenses | 653,593 | 669,640 |
| Other ordinary expenses: | 17,584 | 15,693 |
| Interest expense | 8,986 | 9,057 |
| Provision for bad debts | 2,012 | - |
| Loss on bad debts | 217 | 215 |
| Amortization of deferred assets under Article 113 of the Insurance Business Act | 947 | - |
| Other ordinary expenses | 5,420 | 6,420 |
| Ordinary profit | <u>352,612</u> | <u>211,548</u> |

(Yen in millions)

| | Year ended March 31, 2017 | Year ended March 31, 2018 |
|---|------------------------------|------------------------------|
| Extraordinary income: | 3,546 | 51,348 |
| Gains on sales of fixed assets | 3,546 | 9,316 |
| Reversal of reserves under the special laws: | - | 42,032 |
| Reversal of reserve for price fluctuation | - | 42,032 |
| Extraordinary losses: | 73,553 | 18,589 |
| Losses on sales of fixed assets | 2,456 | 3,853 |
| Impairment losses on fixed assets | 5,512 | 14,724 |
| Provision for reserves under the special laws: | 33,928 | - |
| Provision for reserve for price fluctuation | 33,928 | - |
| Losses on reduction of tangible fixed assets | - | 11 |
| Other extraordinary losses | 31,656 | - |
| Income before income taxes | 282,605 | 244,307 |
| Income taxes - current | 105,468 | 118,432 |
| Income taxes - deferred | (34,562) | (28,008) |
| Total income taxes | 70,906 | 90,423 |
| Net income | 211,699 | 153,884 |
| Net income/(loss) attributable to non-controlling interests | 1,252 | (173) |
| Net income attributable to owners of the parent | 210,447 | 154,057 |

(Consolidated Statements of Comprehensive Income)

(Yen in millions)

| | Year ended March 31, 2017 | Year ended March 31, 2018 |
|--|------------------------------|------------------------------|
| Net income | 211,699 | 153,884 |
| Other comprehensive income: | | |
| Net unrealized gains/(losses) on investments in securities | 33,664 | 123,681 |
| Net deferred gains/(losses) on hedges | (16,640) | (3,316) |
| Foreign currency translation adjustments | (114,654) | 23,348 |
| Accumulated actuarial gains/(losses) on retirement benefits | (1,073) | 8,723 |
| Share of other comprehensive income of equity method investments | 1,298 | 4,775 |
| Total other comprehensive income | <u>(97,405)</u> | <u>157,211</u> |
| Total comprehensive income | <u>114,294</u> | <u>311,096</u> |
| Allocation: | | |
| Comprehensive income attributable to owners of the parent | 115,115 | 309,798 |
| Comprehensive income attributable to non-controlling interests | (821) | 1,297 |

(3) Consolidated Statements of Changes in Net Assets

For the year ended March 31, 2017 (from April 1, 2016 to March 31, 2017)

(Yen in millions)

| | Shareholders' equity | | | | |
|--|----------------------|-----------------|-------------------|----------------|----------------------------|
| | Common stock | Capital surplus | Retained earnings | Treasury stock | Total shareholders' equity |
| Beginning balance | 100,000 | 670,646 | 628,562 | (80,065) | 1,319,143 |
| Changes for the year: | | | | | |
| Dividends paid | | | (63,223) | | (63,223) |
| Net income attributable to owners of the parent | | | 210,447 | | 210,447 |
| Repurchase of treasury stock | | | | (39,985) | (39,985) |
| Disposal of treasury stock | | 0 | | 1 | 1 |
| Cancellation of treasury stock | | | | | - |
| Changes in scope of consolidation | | | 91 | | 91 |
| Changes in equity resulted from increase in capital of consolidated subsidiaries | | (570) | | | (570) |
| Changes in the parent's ownership interests in subsidiaries due to transactions with non-controlling interests | | (617) | | | (617) |
| Put options granted to non-controlling interests | | | | | - |
| Adjustment to retained earnings due to change in US tax rate | | | | | - |
| Net changes of items other than shareholders' equity | | | | | |
| Total changes for the year | - | (1,188) | 147,315 | (39,984) | 106,142 |
| Ending balance | 100,000 | 669,458 | 775,877 | (120,050) | 1,425,285 |

| | Accumulated other comprehensive income | | | | | Stock acquisition rights | Non-controlling interests | Total net assets |
|--|--|---------------------------------------|--|---|--|--------------------------|---------------------------|------------------|
| | Net unrealized gains/(losses) on investments in securities | Net deferred gains/(losses) on hedges | Foreign currency translation adjustments | Accumulated actuarial gains/(losses) on retirement benefits | Total accumulated other comprehensive income | | | |
| Beginning balance | 1,324,886 | 40,113 | 22,369 | (8,343) | 1,379,024 | - | 27,106 | 2,725,274 |
| Changes for the year: | | | | | | | | |
| Dividends paid | | | | | | | | (63,223) |
| Net income attributable to owners of the parent | | | | | | | | 210,447 |
| Repurchase of treasury stock | | | | | | | | (39,985) |
| Disposal of treasury stock | | | | | | | | 1 |
| Cancellation of treasury stock | | | | | | | | - |
| Changes in scope of consolidation | | | | | | | | 91 |
| Changes in equity resulted from increase in capital of consolidated subsidiaries | | | | | | | | (570) |
| Changes in the parent's ownership interests in subsidiaries due to transactions with non-controlling interests | | | | | | | | (617) |
| Put options granted to non-controlling interests | | | | | | | | - |
| Adjustment to retained earnings due to change in US tax rate | | | | | | | | - |
| Net changes of items other than shareholders' equity | 35,973 | (16,640) | (113,588) | (1,076) | (95,332) | 307 | (1,959) | (96,984) |
| Total changes for the year | 35,973 | (16,640) | (113,588) | (1,076) | (95,332) | 307 | (1,959) | 9,158 |
| Ending balance | 1,360,859 | 23,472 | (91,219) | (9,420) | 1,283,692 | 307 | 25,147 | 2,734,432 |

For the year ended March 31, 2018 (from April 1, 2017 to March 31, 2018)

(Yen in millions)

| | Shareholders' equity | | | | |
|--|----------------------|-----------------|-------------------|----------------|----------------------------|
| | Common stock | Capital surplus | Retained earnings | Treasury stock | Total shareholders' equity |
| Beginning balance | 100,000 | 669,458 | 775,877 | (120,050) | 1,425,285 |
| Changes for the year: | | | | | |
| Dividends paid | | | (79,975) | | (79,975) |
| Net income attributable to owners of the parent | | | 154,057 | | 154,057 |
| Repurchase of treasury stock | | | | (70) | (70) |
| Disposal of treasury stock | | (2) | | 65 | 62 |
| Cancellation of treasury stock | | (117,455) | | 117,455 | - |
| Changes in scope of consolidation | | | | | - |
| Changes in equity resulted from increase in capital of consolidated subsidiaries | | | | | - |
| Changes in the parent's ownership interests in subsidiaries due to transactions with non-controlling interests | | (242) | | | (242) |
| Put options granted to non-controlling interests | | 2,562 | | | 2,562 |
| Adjustment to retained earnings due to change in US tax rate | | | (914) | | (914) |
| Net changes of items other than shareholders' equity | | | | | |
| Total changes for the year | - | (115,138) | 73,167 | 117,450 | 75,479 |
| Ending balance | 100,000 | 554,320 | 849,044 | (2,599) | 1,500,765 |

| | Accumulated other comprehensive income | | | | | Stock acquisition rights | Non-controlling interests | Total net assets |
|--|--|---------------------------------------|--|---|--|--------------------------|---------------------------|------------------|
| | Net unrealized gains/(losses) on investments in securities | Net deferred gains/(losses) on hedges | Foreign currency translation adjustments | Accumulated actuarial gains/(losses) on retirement benefits | Total accumulated other comprehensive income | | | |
| Beginning balance | 1,360,859 | 23,472 | (91,219) | (9,420) | 1,283,692 | 307 | 25,147 | 2,734,432 |
| Changes for the year: | | | | | | | | |
| Dividends paid | | | | | | | | (79,975) |
| Net income attributable to owners of the parent | | | | | | | | 154,057 |
| Repurchase of treasury stock | | | | | | | | (70) |
| Disposal of treasury stock | | | | | | | | 62 |
| Cancellation of treasury stock | | | | | | | | - |
| Changes in scope of consolidation | | | | | | | | - |
| Changes in equity resulted from increase in capital of consolidated subsidiaries | | | | | | | | - |
| Changes in the parent's ownership interests in subsidiaries due to transactions with non-controlling interests | | | | | | | | (242) |
| Put options granted to non-controlling interests | | | | | | | | 2,562 |
| Adjustment to retained earnings due to change in US tax rate | | | | | | | | (914) |
| Net changes of items other than shareholders' equity | 126,398 | (3,429) | 24,944 | 8,740 | 156,654 | 258 | 1,561 | 158,475 |
| Total changes for the year | 126,398 | (3,429) | 24,944 | 8,740 | 156,654 | 258 | 1,561 | 233,955 |
| Ending balance | 1,487,258 | 20,043 | (66,274) | (679) | 1,440,346 | 566 | 26,709 | 2,968,387 |

(4) Consolidated Statements of Cash Flows

(Yen in millions)

| | Year ended March 31, 2017 | Year ended March 31, 2018 |
|--|------------------------------|------------------------------|
| Cash flows from operating activities: | | |
| Income before income taxes | 282,605 | 244,307 |
| Depreciation | 62,184 | 64,014 |
| Impairment losses on fixed assets | 5,512 | 14,724 |
| Amortization of goodwill | 11,393 | 11,741 |
| Increase/(decrease) in outstanding claims | 82,392 | 160,203 |
| Increase/(decrease) in underwriting reserves | 903,095 | 546,085 |
| Increase/(decrease) in bad debt reserve | 1,542 | (1,348) |
| Increase/(decrease) in reserve for retirement benefits for officers | (156) | (101) |
| Increase/(decrease) in accrued bonuses for employees | (3,096) | (1,239) |
| Increase/(decrease) in reserve for reorganization by function | 22,097 | (5,756) |
| Increase/(decrease) in liabilities for pension and retirement benefits | 2,078 | 6,700 |
| Increase/(decrease) in reserve for price fluctuation | 33,928 | (42,032) |
| Interest and dividends income | (272,556) | (286,229) |
| Losses/(gains) on money trusts | (15,075) | 4,967 |
| Losses/(gains) on investments in securities | (127,655) | (171,357) |
| Losses/(gains) on derivative transactions | 31,628 | 14,498 |
| Investment losses/(gains) on separate accounts | (81,380) | (115,299) |
| Interest expense | 8,986 | 9,057 |
| Foreign exchange losses/(gains) | (31,703) | 112,731 |
| Losses/(gains) on disposal of tangible fixed assets | (1,090) | (5,580) |
| Losses/(gains) on equity method investments | (2,112) | (3,017) |
| Decrease/(increase) in other assets | (70,445) | 13,828 |
| Increase/(decrease) in other liabilities | 6,834 | (4,921) |
| Others, net | (19,868) | (10,068) |
| Subtotal | 829,139 | 555,908 |
| Interest and dividends received | 355,139 | 407,933 |
| Interest paid | (10,628) | (8,626) |
| Income taxes refunded/(paid) | (86,701) | (132,575) |
| Net cash provided by/(used in) operating activities (a) | 1,086,948 | 822,640 |

(Yen in millions)

| | Year ended March 31, 2017 | Year ended March 31, 2018 |
|---|------------------------------|------------------------------|
| Cash flows from investing activities: | | |
| Net decrease/(increase) in deposits and savings | (1,112) | (18,260) |
| Purchase of monetary claims bought | - | (2,601) |
| Proceeds from sales and redemption of monetary claims bought | 17,191 | 37,842 |
| Purchase of money trusts | (206,384) | (128,508) |
| Proceeds from sales of money trusts | 78,917 | 52,173 |
| Purchase of securities | (3,136,168) | (3,595,276) |
| Proceeds from sales and redemption of securities | 2,577,663 | 2,845,276 |
| Investments in loans | (212,875) | (198,795) |
| Collection of loans | 212,220 | 184,210 |
| Net increase/(decrease) in cash collateral under securities borrowing and lending transactions | 73,812 | (4,848) |
| Others, net | 21,800 | 6,901 |
| Subtotal (b) | (574,934) | (821,886) |
| (a + b) | 512,013 | 754 |
| Acquisition of tangible fixed assets | (20,158) | (20,291) |
| Proceeds from sales of tangible fixed assets | 8,922 | 14,461 |
| Acquisition of intangible fixed assets | (27,608) | (47,645) |
| Acquisition of subsidiaries resulting in changes in scope of consolidation | - | (85,341) |
| Others, net | (1,119) | (2,401) |
| Net cash provided by/(used in) investing activities | (614,899) | (963,105) |
| Cash flows from financing activities: | | |
| Proceeds from borrowings | 32,651 | 55,027 |
| Repayments of borrowings | (141,389) | (30,342) |
| Issuance of bonds | 148,961 | 129,133 |
| Redemption of bonds | (33,890) | (28,000) |
| Repurchase of treasury stock | (39,985) | (70) |
| Dividends paid to shareholders | (63,151) | (79,887) |
| Dividends paid to non-controlling interests | (1,098) | (917) |
| Purchase of shares of subsidiaries not resulting in changes in scope of consolidation | (617) | (964) |
| Others, net | (1,678) | (1,648) |
| Net cash provided by/(used in) financing activities | (100,198) | 42,329 |
| Effect of exchange rate changes on cash and cash equivalents | (11,451) | 5,738 |
| Net increase/(decrease) in cash and cash equivalents | 360,399 | (92,396) |
| Beginning balance of cash and cash equivalents | 1,056,407 | 1,415,903 |
| Decrease in cash and cash equivalents due to exclusion from consolidation | (903) | - |
| Ending balance of cash and cash equivalents | 1,415,903 | 1,323,506 |

(5) Notes to Consolidated Financial Statements

(Notes to Going Concern Assumptions)

Not applicable.

(Notes to Segment Information)

1 Overview of reportable segments

The reportable segments are the units of MS&AD group (“the Group”) for which separate financial information is available and that are evaluated regularly by the board of directors in deciding allocation of resources and assessing their performance.

The Group's business domains comprise domestic non-life insurance business, domestic life insurance business, international business, financial services business and risk-related services business. Mitsui Sumitomo Insurance Co., Ltd. (“MSI”), Aioi Nissay Dowa Insurance Co., Ltd. (“ADI”) and Mitsui Direct General Insurance Co., Ltd. (“Mitsui Direct General”) primarily operate domestic non-life insurance business, and Mitsui Sumitomo Aioi Life Insurance Co., Ltd. (“MSI Aioi Life”) and Mitsui Sumitomo Primary Life Insurance Co., Ltd. (“MSI Primary Life”) primarily operate domestic life insurance business. The Company and domestic non-life insurance subsidiaries engage in international business, and overseas affiliated companies also develop insurance business in various foreign countries.

Segment information is presented based on the Group's business domains where the domestic life and non-life insurance businesses are further identified by each insurance company, resulting in six reportable segments that comprise the five domestic insurance companies and the international business (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 substantially the same as those mentioned in “Significant Accounting Policies” of the Securities Report filed on June 26, 2017. Net income by segment is the amount based on net income of each company (after taking ownership interests into consideration).

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

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

For the year ended March 31, 2017 (from April 1, 2016 to March 31, 2017)

(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 | 1,442,976 | 1,161,736 | 37,699 | 369,255 | 881,893 |
| Intersegment revenues or transfers | 27,145 | 38,789 | (46) | - | (11,922) |
| Total | 1,470,122 | 1,200,525 | 37,653 | 369,255 | 869,971 |
| Net income/(loss) by segment | 164,568 | 50,391 | (947) | 4,594 | 20,703 |
| Assets by segment | 6,777,076 | 3,498,264 | 59,987 | 3,619,194 | 5,838,048 |
| Other items: | | | | | |
| Depreciation | 21,754 | 15,292 | 924 | 3,815 | 1,779 |
| Amortization of goodwill | - | - | - | - | - |
| Interest and dividends income | 116,792 | 55,409 | 89 | 43,797 | 60,761 |
| Interest expense | 6,325 | 755 | - | 67 | 0 |
| Gains/(losses) on equity method investments | - | - | - | - | - |
| Extraordinary income | 1,379 | 2,644 | - | 3 | - |
| Extraordinary losses: | 8,479 | 11,015 | 12 | 775 | 28,907 |
| Impairment losses on fixed assets | 489 | 5,709 | - | - | - |
| Provision for reserve for price fluctuation | 3,667 | 589 | 7 | 757 | 28,906 |
| Costs associated with the reorganization of the overseas consolidated subsidiaries | - | - | - | - | - |
| Income taxes | 43,874 | 16,425 | 36 | 1,815 | 8,081 |
| Equity method investments | 156,490 | - | - | - | - |
| Increase in tangible fixed assets and intangible fixed assets | 16,703 | 14,462 | 993 | 7,037 | 1,310 |

(Yen in millions)

| | International 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 | 744,081 | 30,895 | 4,668,538 | (7,982) | 4,660,556 |
| Intersegment revenues or transfers | (48,913) | (4,888) | 164 | (164) | - |
| Total | 695,168 | 26,006 | 4,668,703 | (8,146) | 4,660,556 |
| Net income/(loss) by segment | 24,079 | 2,579 | 265,968 | (55,521) | 210,447 |
| Assets by segment | 2,464,408 | 55,834 | 22,312,814 | (1,078,513) | 21,234,300 |
| Other items: | | | | | |
| Depreciation | 8,122 | 648 | 52,338 | 9,845 | 62,184 |
| Amortization of goodwill | - | - | - | 11,393 | 11,393 |
| Interest and dividends income | 18,047 | 2 | 294,899 | (22,343) | 272,556 |
| Interest expense | 3,577 | - | 10,725 | (1,738) | 8,986 |
| Gains/(losses) on equity method investments | 7,111 | 756 | 7,868 | (5,756) | 2,112 |
| Extraordinary income | 24 | - | 4,051 | (505) | 3,546 |
| Extraordinary losses: | 8,134 | 0 | 57,325 | 16,228 | 73,553 |
| Impairment losses on fixed assets | 2,582 | - | 8,781 | (3,268) | 5,512 |
| Provision for reserve for price fluctuation | - | - | 33,928 | - | 33,928 |
| Costs associated with the reorganization of the overseas consolidated subsidiaries | 5,319 | - | 5,319 | - | 5,319 |
| Income taxes | 5,807 | (210) | 75,830 | (4,924) | 70,906 |
| Equity method investments | 2,431 | - | 158,922 | (15,948) | 142,973 |
| Increase in tangible fixed assets and intangible fixed assets | 10,476 | 298 | 51,281 | (2,956) | 48,324 |

(Notes)

- 1 “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”.
- 2 “Others”, which is business segments not included in reportable segments, represents financial services business and risk-related services business operated by group companies other than domestic insurance companies, and domestic non-life insurance business operated by domestic non-life insurance subsidiaries which are not included in reportable segments.
- 3 “Adjustments” in “Revenues from transactions with external customers” represents the sum total of ordinary income items other than net premiums written and life insurance premiums for other business.
- 4 “Adjustments” in “Net income/(loss) by segment” includes elimination of intersegment transactions of ¥(16,625) million, companywide expenses not allocated to respective reportable segments of ¥(9,391) million and adjustments to profit and loss due to application of the purchase method to domestic insurance subsidiaries and amortization of goodwill of ¥(29,504) million. Most of the companywide expenses are expenses associated with the Company's administrative departments that do not belong to any reportable segments.
- 5 “Adjustments” in “Assets by segment” includes elimination of intersegment transactions of ¥(1,072,866) million, transfers due to offsetting reinsurance recoverables included in assets of overseas insurance subsidiaries and policy liabilities on the consolidated financial statements of ¥(288,609) million, companywide assets not allocated to respective reportable segments of ¥32,952 million, adjustments to assets due to application of the purchase method to domestic insurance subsidiaries and unamortized balance of goodwill not allocated to respective reportable segments of ¥250,010 million. The companywide assets are the Company's assets that do not belong to any reportable segments.
- 6 “Net income/(loss) by segment” is reconciled with net income attributable to owners of the parent on the consolidated financial statements.

For the year ended March 31, 2018 (from April 1, 2017 to March 31, 2018)

(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 | 1,464,183 | 1,178,421 | 37,915 | 381,357 | 674,157 |
| Intersegment revenues or transfers | 30,179 | 43,596 | (41) | - | (13,320) |
| Total | 1,494,362 | 1,222,017 | 37,873 | 381,357 | 660,836 |
| Net income/(loss) by segment | 198,237 | 15,620 | 294 | 5,277 | 29,212 |
| Assets by segment | 7,098,216 | 3,486,669 | 61,489 | 3,869,730 | 6,201,753 |
| Other items: | | | | | |
| Depreciation | 22,211 | 15,345 | 910 | 4,323 | 1,909 |
| Amortization of goodwill | - | - | - | - | - |
| Interest and dividends income | 105,107 | 58,498 | 73 | 44,603 | 76,884 |
| Interest expense | 6,721 | 571 | - | 63 | 0 |
| Impairment losses on securities | 1,031 | 49,040 | - | - | - |
| Gains/(losses) on equity method investments | - | - | - | - | - |
| Extraordinary income: | 7,207 | 37,778 | - | 1 | 11,500 |
| Gains on sales of fixed assets | 7,207 | 2,352 | - | 1 | - |
| Reversal of reserve for price fluctuation | - | 35,425 | - | - | 11,500 |
| Extraordinary losses: | 5,636 | 6,599 | 6 | 885 | - |
| Impairment losses on fixed assets | 860 | 1,979 | - | - | - |
| Income taxes | 65,885 | 21,173 | 117 | 1,597 | 11,227 |
| Equity method investments | 156,490 | - | - | - | - |
| Increase in tangible fixed assets and intangible fixed assets | 26,149 | 26,697 | 1,921 | 9,012 | 3,678 |

(Yen in millions)

| | International 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 | 740,749 | 24,252 | 4,501,036 | (1,781) | 4,499,255 |
| Intersegment revenues or transfers | (55,619) | (4,580) | 213 | (213) | - |
| Total | 685,130 | 19,671 | 4,501,249 | (1,994) | 4,499,255 |
| Net income/(loss) by segment | (104,672) | 4,230 | 148,200 | 5,857 | 154,057 |
| Assets by segment | 2,967,542 | 119,564 | 23,804,965 | (1,332,037) | 22,472,927 |
| Other items: | | | | | |
| Depreciation | 9,393 | 575 | 54,669 | 9,344 | 64,014 |
| Amortization of goodwill | - | - | - | 11,741 | 11,741 |
| Interest and dividends income | 14,940 | 915 | 301,024 | (14,795) | 286,229 |
| Interest expense | 16 | - | 7,374 | 1,683 | 9,057 |
| Impairment losses on securities | 244 | - | 50,316 | (48,804) | 1,512 |
| Gains/(losses) on equity method investments | 7,954 | 996 | 8,950 | (5,932) | 3,017 |
| Extraordinary income: | 467 | - | 56,953 | (5,605) | 51,348 |
| Gains on sales of fixed assets | 467 | - | 10,028 | (712) | 9,316 |
| Reversal of reserve for price fluctuation | - | - | 46,925 | (4,892) | 42,032 |
| Extraordinary losses: | 12,946 | 1,096 | 27,171 | (8,582) | 18,589 |
| Impairment losses on fixed assets | 12,925 | 1,094 | 16,859 | (2,135) | 14,724 |
| Income taxes | (12,722) | 290 | 87,570 | 2,852 | 90,423 |
| Equity method investments | 96,601 | - | 253,092 | (16,482) | 236,609 |
| Increase in tangible fixed assets and intangible fixed assets | 5,178 | 105 | 72,744 | (4,157) | 68,586 |

(Notes)

- 1 “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”.
- 2 “Others”, which is business segments not included in reportable segments and other revenue generating business activities, represents domestic non-life insurance business operated by domestic non-life insurance subsidiaries other than reportable segment, financial services business and risk-related services business operated by group companies other than domestic insurance companies and business investments by the Company into companies other than group companies.
- 3 “Adjustments” in “Revenues from transactions with external customers” represents the sum total of ordinary income items other than net premiums written and life insurance premiums for other business.
- 4 “Adjustments” in “Net income/(loss) by segment” includes elimination of intersegment transactions of ¥(9,710) million, companywide expenses not allocated to respective reportable segments of ¥(11,856) million, adjustments to impairment losses on equities of insurance subsidiaries recognized by ADI of ¥48,656 million and adjustments to profit and loss due to application of the purchase method to domestic insurance subsidiaries and amortization of goodwill of ¥(21,230) million. Most of the companywide expenses are expenses associated with the Company’s administrative departments that do not belong to any reportable segments.
- 5 “Adjustments” in “Assets by segment” includes elimination of intersegment transactions of ¥(1,328,387) million, transfers due to offsetting reinsurance recoverables included in assets of overseas insurance subsidiaries and policy liabilities on the consolidated financial statements of ¥(440,011) million, companywide assets not allocated to respective reportable segments of ¥44,792 million, adjustments to assets due to application of the purchase method to domestic insurance subsidiaries and unamortized balance of goodwill not allocated to respective reportable segments of ¥391,568 million. The companywide assets are the Company’s assets that do not belong to any reportable segments.
- 6 “Net income/(loss) by segment” is reconciled with net income attributable to owners of the parent on the consolidated financial statements.

(Notes to Per Share Information)

(Yen)

| | Year ended March 31, 2017 | Year ended March 31, 2018 |
|---|------------------------------|------------------------------|
| Net assets less non-controlling interests per share | 4,572.82 | 4,964.64 |
| Net income attributable to owners of the parent per share - Basic | 350.94 | 260.04 |
| Net income attributable to owners of the parent per share - Diluted | 350.90 | 259.98 |

(Notes)

1 The bases for calculation of "Net income attributable to owners of the parent per share - Basic" and "Net income attributable to owners of the parent per share - Diluted" are as follows.

| | Year ended March 31, 2017 | Year ended March 31, 2018 |
|--|------------------------------|------------------------------|
| Net income attributable to owners of the parent per share - Basic | | |
| Net income attributable to owners of the parent (Yen in millions) | 210,447 | 154,057 |
| Net income attributable to owners of the parent not attributable to common shareholders (Yen in millions) | - | - |
| Net income attributable to owners of the parent attributable to common stock (Yen in millions) | 210,447 | 154,057 |
| Average number of shares of outstanding stock (in thousands of shares) | 599,655 | 592,418 |
| Net income attributable to owners of the parent per share - Diluted | | |
| Adjustment to net income attributable to owners of the parent (Yen in millions) | - | - |
| Increased number of shares of common stock (in thousands of shares) | 74 | 147 |
| Stock acquisition rights (in thousands of shares) | 74 | 147 |
| Outline of dilutive shares which were not included in the calculation of "Net income attributable to owners of the parent per share - Diluted" because they are antidilutive for the each period | - | - |

2 The bases for calculation of net assets less non-controlling interests per share are as follows.

| | March 31, 2017 | March 31, 2018 |
|---|----------------|----------------|
| Total net assets (Yen in millions) | 2,734,432 | 2,968,387 |
| Amounts deduced from net assets: (Yen in millions) | 25,454 | 27,275 |
| Stock acquisition rights (Yen in millions) | 307 | 566 |
| Non-controlling interests (Yen in millions) | 25,147 | 26,709 |
| Net assets attributable to common stock (Yen in millions) | 2,708,978 | 2,941,112 |
| Number of shares of outstanding stock to calculate net assets less non-controlling interests per share (in thousands of shares) | 592,407 | 592,411 |

(Notes to Significant Subsequent Events)

Not applicable.