

## SUMMARY OF FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED DECEMBER 31, 2020

February 12, 2021

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: <https://www.ms-ad-hd.com>  
 Representative: Noriyuki Hara, President & CEO  
 Contact: Masaru Kenma, Manager, Consolidated Accounting Section, Accounting Department  
 Telephone: 03-5117-0305  
 Scheduled date to file the Quarterly Securities Report: February 12, 2021  
 Scheduled date to commence dividend payments: -  
 Explanatory material for business results: Available  
 IR Conference (for institutional investors and analysts): To be held

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

### 1. Consolidated Financial Highlights for the Nine Months Ended December 31, 2020 (April 1, 2020 to December 31, 2020)

(1) Consolidated business performance (Yen in millions)

	Ordinary income		Ordinary profit		Net income attributable to owners of the parent	
Nine months ended December 31, 2020	3,971,253	(4.1) %	220,258	(16.8) %	150,053	(44.4) %
Nine months ended December 31, 2019	4,142,165	0.0 %	264,777	11.4 %	269,932	54.2 %

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

(Note) Comprehensive income For the nine months ended December 31, 2020: ¥ 599,793 million 51.0 %  
For the nine months ended December 31, 2019: ¥ 397,318 million - %

(Yen)

	Net income attributable to owners of the parent per share - Basic	Net income attributable to owners of the parent per share - Diluted
Nine months ended December 31, 2020	265.30	265.15
Nine months ended December 31, 2019	467.05	466.81

(2) Consolidated financial conditions (Yen in millions)

	Total assets	Net assets	Ratio of net assets less non-controlling interests to total assets
December 31, 2020	23,999,313	2,990,945	12.3 %
March 31, 2020	23,196,455	2,494,038	10.6 %

(Reference) Net assets less non-controlling interests As of December 31, 2020: ¥ 2,950,060 million  
As of March 31, 2020: ¥ 2,451,670 million

### 2. Dividends (Yen)

	Dividends per share				
	1st quarter	2nd quarter	3rd quarter	4th quarter	Annual total
Year ended March 31, 2020	-	75.00	-	75.00	150.00
Year ending March 31, 2021	-	75.00	-		
Year ending March 31, 2021 (Forecast)				75.00	150.00

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

### 3. Consolidated Earnings Forecasts for the Year Ending March 31, 2021 (April 1, 2020 to March 31, 2021)

(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, 2021	200,000	26.8 %	140,000	(2.1) %	247.89

Percent figures represent changes from the preceding year.

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

**\* Notes**

(1) Changes in significant subsidiaries for the period (changes in specified subsidiaries resulting in changes in scope of consolidation): None

(2) Adoption of special accounting methods allowed to be applied to quarterly consolidated financial statements: Yes  
(Note) For details, please refer to “Adoption of Special Accounting Methods Allowed to be Applied to Quarterly Consolidated Financial Statements” on page 5 of the Appendix.

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

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

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

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

As of December 31, 2020:	593,473,207 shares
As of March 31, 2020:	593,291,754 shares
2. Number of shares of treasury stock

As of December 31, 2020:	29,480,067 shares
As of March 31, 2020:	24,244,439 shares
3. Average number of shares of outstanding stock

For the nine months ended December 31, 2020:	565,599,265 shares
For the nine months ended December 31, 2019:	577,940,971 shares

**\* This report is outside the scope of the external auditor's quarterly review.**

**\* Notes to the earnings forecasts**

Any earnings forecasts in this report have been made based on the information available to the Company as of the disclosure date of the report and certain assumptions, and therefore do not guarantee future performance. Actual results may differ substantially from these forecasts depending on various factors. The forecasts of consolidated ordinary income for the current fiscal year is not disclosed due to difficulties in calculating reasonable forecast figures stemming from a high susceptibility to natural disasters and market conditions.

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# Consolidated Financial Statements and Main Notes

## 1. Consolidated Balance Sheets

(Yen in millions)

	March 31, 2020	December 31, 2020
<b>Assets</b>		
Cash, deposits and savings	1,846,225	1,798,733
Receivables under resale agreements	407,722	200,100
Monetary claims bought	160,091	180,403
Money trusts	1,666,494	1,895,801
Investments in securities	15,494,580	16,511,280
Loans	892,335	933,284
Tangible fixed assets	488,331	482,048
Intangible fixed assets	442,695	422,954
Other assets	1,535,400	1,478,087
Assets for retirement benefits	24,113	23,081
Deferred tax assets	219,385	53,616
Customers' liabilities under acceptances and guarantees	31,500	33,500
Bad debt reserve	(12,421)	(13,577)
<b>Total assets</b>	<b>23,196,455</b>	<b>23,999,313</b>
<b>Liabilities</b>		
Policy liabilities:	17,809,540	18,342,825
Outstanding claims	2,149,921	2,215,133
Underwriting reserves	15,659,619	16,127,692
Bonds issued	809,093	809,093
Other liabilities	1,672,264	1,458,074
Liabilities for pension and retirement benefits	179,686	181,190
Reserve for retirement benefits for officers	325	246
Accrued bonuses for employees	28,392	9,141
Reserve for losses on sales of shares of subsidiaries and associates	16,957	-
Reserves under the special laws:	137,400	155,316
Reserve for price fluctuation	137,400	155,316
Deferred tax liabilities	17,254	18,980
Acceptances and guarantees	31,500	33,500
<b>Total liabilities</b>	<b>20,702,416</b>	<b>21,008,368</b>
<b>Net assets</b>		
Shareholders' equity:		
Common stock	100,000	100,276
Capital surplus	553,163	553,428
Retained earnings	1,019,468	1,084,505
Treasury stock	(84,432)	(100,828)
<b>Total shareholders' equity</b>	<b>1,588,199</b>	<b>1,637,380</b>
Accumulated other comprehensive income:		
Net unrealized gains/(losses) on investments in securities	982,042	1,483,664
Net deferred gains/(losses) on hedges	30,916	23,228
Foreign currency translation adjustments	(140,106)	(182,970)
Accumulated actuarial gains/(losses) on retirement benefits	(9,381)	(11,243)
<b>Total accumulated other comprehensive income</b>	<b>863,470</b>	<b>1,312,679</b>
Stock acquisition rights	1,206	1,019
Non-controlling interests	41,161	39,865
<b>Total net assets</b>	<b>2,494,038</b>	<b>2,990,945</b>
<b>Total liabilities and net assets</b>	<b>23,196,455</b>	<b>23,999,313</b>

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

	(Yen in millions)	
	Nine months ended December 31, 2019	Nine months ended December 31, 2020
Ordinary income:	4,142,165	3,971,253
Underwriting income:	3,605,066	2,932,691
Net premiums written	2,725,319	2,678,760
Deposit premiums from policyholders	60,135	61,783
Investment income on deposit premiums from policyholders	30,525	28,530
Life insurance premiums	783,729	156,426
Investment income:	521,103	1,027,348
Interest and dividends income	239,143	229,816
Investment gains on money trusts	59,841	168,694
Investment gains on trading securities	59,324	24,484
Gains on sales of securities	81,066	122,560
Investment gains on separate accounts	108,588	237,070
Transfer of investment income on deposit premiums from policyholders	(30,525)	(28,530)
Other ordinary income	15,995	11,213
Ordinary expenses:	3,877,387	3,750,995
Underwriting expenses:	3,244,287	3,133,392
Net claims paid	1,528,769	1,410,379
Loss adjustment expenses	130,511	137,735
Commissions and collection expenses	545,095	550,235
Maturity refunds to policyholders	166,664	171,551
Life insurance claims	296,515	277,300
Provision for outstanding claims	42,200	86,194
Provision for underwriting reserves	525,250	486,173
Investment expenses:	108,476	94,773
Investment losses on money trusts	6,267	37,812
Losses on sales of securities	5,696	5,864
Impairment losses on securities	5,778	12,807
Losses on derivative transactions	35,689	36,233
Operating expenses and general and administrative expenses	509,506	502,277
Other ordinary expenses:	15,116	20,551
Interest expense	9,943	10,832
Ordinary profit	264,777	220,258
Extraordinary income:	90,571	9,041
Gains on sales of fixed assets	1,516	809
Reversal of reserves under the special laws:	79,663	-
Reversal of reserve for price fluctuation	79,663	-
Gains on step acquisitions	6,587	-
Gains on change in equity	2,804	118
Reversal of reserve for losses on sales of shares of subsidiaries and associates	-	8,113
Extraordinary losses:	172,861	24,366
Losses on sales of fixed assets	1,456	3,606
Impairment losses on fixed assets	171,404	1,597
Provision for reserves under the special laws:	-	17,915
Provision for reserve for price fluctuation	-	17,915
Losses on reduction of tangible fixed assets	-	0
Losses on change in equity	-	1,246
Income before income taxes	182,488	204,932
Income taxes	(89,263)	52,098
Net income	271,751	152,834
Net income attributable to non-controlling interests	1,819	2,780
Net income attributable to owners of the parent	269,932	150,053

## (Consolidated Statements of Comprehensive Income)

(Yen in millions)

	Nine months ended December 31, 2019	Nine months ended December 31, 2020
Net income	271,751	152,834
Other comprehensive income:		
Net unrealized gains/(losses) on investments in securities	154,801	495,838
Net deferred gains/(losses) on hedges	2,012	(8,508)
Foreign currency translation adjustments	(47,396)	(46,354)
Accumulated actuarial gains/(losses) on retirement benefits	(706)	(1,859)
Share of other comprehensive income of equity method investments	16,856	7,843
Total other comprehensive income	125,567	446,959
Total comprehensive income	397,318	599,793
Allocation:		
Comprehensive income attributable to owners of the parent	395,704	599,263
Comprehensive income attributable to non-controlling interests	1,614	530

### **3. Notes to Consolidated Financial Statements**

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

Not applicable.

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

Not applicable.

#### **(Adoption of Special Accounting Methods Allowed to be Applied to Quarterly Consolidated Financial Statements)**

(Calculation of income tax expenses)

The domestic consolidated companies calculate their income tax expenses primarily by multiplying income before income taxes by the effective income tax rate, after adding or deducting the permanent difference if this amount is significant.

# Explanatory Material for Business Results

## 1. Summary of Consolidated Business Results

### (1) Consolidated Business Results

(Yen in 100 millions)

	Items	Nine months ended December 31, 2019	Nine months ended December 31, 2020	Change	Change ratio
Net premiums written (non-life insurance)	1	27,253	26,787	(465)	(1.7)
Mitsui Sumitomo Insurance	2	11,535	11,684	148	1.3
Aioi Nissay Dowa Insurance	3	9,626	9,603	(22)	(0.2)
Simple sum	4	21,162	21,288	126	0.6
Mitsui Direct General Insurance	5	263	265	1	0.7
Overseas insurance subsidiaries	6	5,819	5,233	(585)	(10.1)
Insurance premiums (domestic life insurance)	7	10,646	8,859	(1,787)	(16.8)
Mitsui Sumitomo Aioi Life Insurance	8	3,828	3,758	(70)	(1.8)
Mitsui Sumitomo Primary Life Insurance	9	6,818	5,101	(1,716)	(25.2)
Ordinary profit	10	2,647	2,202	(445)	(16.8)
Net income attributable to owners of the parent	11	2,699	1,500	(1,198)	(44.4)
Mitsui Sumitomo Insurance	12	1,616	835	(780)	(48.3)
Aioi Nissay Dowa Insurance	13	455	298	(157)	(34.5)
Simple sum	14	2,071	1,133	(937)	(45.3)
Mitsui Direct General Insurance	15	2	21	19	895.2
Mitsui Sumitomo Aioi Life Insurance	16	69	127	57	82.9
Mitsui Sumitomo Primary Life Insurance	17	188	359	171	91.2
Overseas insurance subsidiaries	18	300	(90)	(390)	(130.0)
Others, consolidation adjustments, etc.	19	67	(52)	(119)	(177.6)

(Note) Items 12 to 18 represent the net income or loss on a non-consolidated basis after taking into account the Company's ownership interests in its subsidiaries.



## (2) Business Results of Domestic Non-Life Insurance Subsidiaries (Simple Sum of Two Main Consolidated Subsidiaries)

The figures in the tables below are presented as simple sum of Mitsui Sumitomo Insurance Co., Ltd. and Aioi Nissay Dowa Insurance Co., Ltd.

(Yen in 100 millions)

	Items	Nine months ended December 31, 2019	Nine months ended December 31, 2020	Change	Change ratio %
(+)	Net premiums written	21,162	21,288	126	0.6
(-)	Net claims paid	12,297	11,307	(989)	(8.0)
(-)	Loss adjustment expenses	1,157	1,226	68	6.0
(-)	Commissions and collection expenses	3,986	4,169	182	4.6
(-)	Operating expenses and general and administrative expenses for underwriting	2,959	2,962	3	0.1
	Underwriting profit before movements in reserves	760	1,622	861	113.2
(-)	Movement in outstanding claims	(47)	252	300	-
(-)	Movement in ordinary underwriting reserves	365	320	(44)	(12.1)
(+)	Other	86	66	(19)	(23.1)
	Underwriting profit before movement in catastrophe reserve	529	1,115	585	110.6
(-)	Movement in catastrophe reserve	(328)	574	902	-
	Underwriting profit	857	540	(317)	(37.0)
(+)	Interest and dividends income	1,321	1,230	(90)	(6.9)
(-)	Transfer of investment income on deposit premiums from policyholders	350	325	(24)	(7.1)
	Net interest and dividends income (item 13 - item 14)	970	904	(65)	(6.8)
(+)	Gains/(losses) on sales of securities	691	422	(269)	(38.9)
(-)	Impairment losses on securities	58	40	(18)	(31.2)
(+)	Other	(114)	(61)	53	-
	Investment profit	1,489	1,225	(263)	(17.7)
(+)	Other ordinary profit/(loss)	(48)	(93)	(44)	-
	Ordinary profit	2,298	1,672	(625)	(27.2)
(+)	Extraordinary income/(losses):	(1,151)	(94)	1,056	-
	Gains/(losses) on reserve for price fluctuation	716	(44)	(760)	(106.1)
	Losses on valuation of shares of subsidiaries and associates	(1,863)	-	1,863	-
	Income before income taxes	1,146	1,578	431	37.7
(-)	Income taxes	(924)	444	1,369	-
	Net income	2,071	1,133	(937)	(45.3)

Ratios	Net loss ratio	Note 1	28	63.6 %	58.9 %	(4.7) %	
	Net expense ratio	Note 2	29	32.8 %	33.5 %	0.7 %	
	Combined ratio	Note 3	30	96.4 %	92.4 %	(4.0) %	

Incurred losses (including loss adjustment expenses)		Note 4, 5	31	11,478	10,925	(553)	(4.8)
	EI loss ratio	Note 4, 6	32	62.3 %	58.6 %	(3.7) %	

- (Notes) 1. Net loss ratio = (net claims paid + loss adjustment expenses) / net premiums written x 100  
2. Net expense ratio = (commissions and collection expenses + operating expenses and general and administrative expenses for underwriting) / net premiums written x 100  
3. Combined ratio = net loss ratio + net expense ratio  
4. The calculation is exclusive of residential earthquake insurance and CALI\*.  
\* CALI stands for compulsory automobile liability insurance, and the same hereinafter.  
5. Incurred losses (including loss adjustment expenses) = net claims paid + loss adjustment expenses + movement in outstanding claims  
6. EI loss ratio = incurred losses (including loss adjustment expenses) / earned premiums x 100  
Earned premiums are calculated based on unearned premiums (excluding underwriting reserves for natural disasters), premium reserve, etc.

### (3) Business Results of Domestic Life Insurance Subsidiaries

#### 1. Mitsui Sumitomo Aioi Life Insurance Co., Ltd.

(Yen in 100 millions)

	Items	Nine months ended December 31, 2019	Nine months ended December 31, 2020	Change	Change ratio
Amount of new policies <sup>(Note)</sup>	1	15,492	13,051	(2,440)	(15.8) %
Annualized premiums of new policies	2	217	192	(25)	(11.5) %
Amount of policies in force <sup>(Note)</sup>	3	(As of the beginning of the FY2020) 244,580	243,189	(Change from the beginning of the FY2020) (1,390)	(0.6) %
Annualized premiums for policies in force	4	(As of the beginning of the FY2020) 4,481	4,474	(Change from the beginning of the FY2020) (6)	(0.2) %
Insurance premiums	5	3,828	3,758	(70)	(1.8) %
Ordinary profit	6	148	209	61	41.3 %
Extraordinary income/(losses)	7	(8)	(8)	0	-
Net income	8	69	127	57	82.9 %

(Note) The figures represent the total sum of individual insurance and individual annuities.

#### 2. Mitsui Sumitomo Primary Life Insurance Co., Ltd.

(Yen in 100 millions)

	Items	Nine months ended December 31, 2019	Nine months ended December 31, 2020	Change	Change ratio
Amount of new policies <sup>(Note)</sup>	1	6,894	5,099	(1,795)	(26.0) %
Amount of policies in force <sup>(Note)</sup>	2	(As of the beginning of the FY2020) 65,140	68,165	(Change from the beginning of the FY2020) 3,024	4.6 %
Insurance premiums	3	6,818	5,101	(1,716)	(25.2) %
Ordinary profit	4	171	624	452	263.9 %
Extraordinary income/(losses)	5	87	(127)	(215)	(244.9) %
Net income	6	188	359	171	91.2 %

(Note) The figures represent the total sum of individual insurance and individual annuities.

#### (4) Business Results of Overseas Insurance Subsidiaries

(Yen in 100 millions)

	Items	Nine months ended December 31, 2019	Nine months ended December 31, 2020	Change	Change ratio %
Net premiums written	1	5,819	5,233	(585)	(10.1)
Asia	2	1,362	1,285	(77)	(5.7)
Europe	3	4,127	3,645	(481)	(11.7)
Americas	4	328	302	(25)	(7.8)
Net income/(loss) attributable to owners of the parent	5	300	(90)	(390)	(130.0)
Asia	6	144	205	60	42.0
Europe	7	62	(292)	(355)	(566.7)
Americas	8	22	33	11	53.3
International life insurance	9	70	(36)	(107)	(152.0)

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

### (1) Business Results

(Yen in 100 millions)

	Items	Nine months ended December 31, 2019	Nine months ended December 31, 2020	Change	Change ratio %
(+) Net premiums written	1	11,535	11,684	148	1.3
(-) Net claims paid	2	6,783	6,245	(537)	(7.9)
(-) Loss adjustment expenses	3	659	701	41	6.3
(-) Commissions and collection expenses	4	2,077	2,198	121	5.8
(-) Operating expenses and general and administrative expenses for underwriting	5	1,570	1,595	25	1.6
Underwriting profit before movements in reserves	6	444	942	498	112.0
(-) Movement in outstanding claims	7	(50)	121	171	-
(-) Movement in ordinary underwriting reserves	8	(25)	118	143	-
(+) Other	9	43	21	(21)	(49.6)
Underwriting profit before movement in catastrophe reserve	10	563	725	161	28.6
(-) Movement in catastrophe reserve	11	(250)	270	520	-
Underwriting profit	12	814	455	(359)	(44.1)
(+) Interest and dividends income	13	854	802	(52)	(6.1)
(-) Transfer of investment income on deposit premiums from policyholders	14	232	217	(14)	(6.3)
Net interest and dividends income (item 13 - item 14)	15	622	585	(37)	(6.0)
(+) Gains/(losses) on sales of securities	16	394	303	(90)	(23.0)
(-) Impairment losses on securities	17	39	27	(11)	(30.4)
(+) Other	18	(45)	(2)	42	-
Investment profit	19	932	858	(74)	(7.9)
(+) Other ordinary profit/(loss)	20	(65)	(67)	(2)	-
Ordinary profit	21	1,682	1,246	(435)	(25.9)
(+) Extraordinary income/(losses)	22	(1,131)	(31)	1,099	-
Gains/(losses) on reserve for price fluctuation	23	729	(30)	(760)	(104.2)
Losses on valuation of shares of subsidiaries and associates	24	(1,863)	-	1,863	-
Income before income taxes	25	550	1,215	664	120.6
(-) Income taxes	26	(1,065)	379	1,444	-
Net income	27	1,616	835	(780)	(48.3)

Ratios	Net loss ratio	Note 1	28	64.5 %	59.5 %	(5.0) %	
	Net expense ratio	Note 2	29	31.6 %	32.5 %	0.9 %	
	Combined ratio	Note 3	30	96.1 %	92.0 %	(4.1) %	

Incurred losses (including loss adjustment expenses)	Note 4, 5	31	6,349	6,054	(294)	(4.6)
	EI loss ratio	Note 4, 6	32	61.4 %	58.6 %	(2.8) %

- (Notes) 1. Net loss ratio = (net claims paid + loss adjustment expenses) / net premiums written x 100  
2. Net expense ratio = (commissions and collection expenses + operating expenses and general and administrative expenses for underwriting) / net premiums written x 100  
3. Combined ratio = net loss ratio + net expense ratio  
4. The calculation is exclusive of residential earthquake insurance and CALI.  
5. Incurred losses (including loss adjustment expenses) = net claims paid + loss adjustment expenses + movement in outstanding claims  
6. EI loss ratio = incurred losses (including loss adjustment expenses) / earned premiums x 100  
Earned premiums are calculated based on unearned premiums (excluding underwriting reserves for natural disasters), premium reserve, etc.

## (2) Premiums written

(Yen in 100 millions)

	Net premiums written				Direct premiums written (excluding deposit premiums from policyholders)			
	Nine months ended December 31, 2019		Nine months ended December 31, 2020		Nine months ended December 31, 2019		Nine months ended December 31, 2020	
	Amount	Change ratio %	Amount	Change ratio %	Amount	Change ratio %	Amount	Change ratio %
Fire and allied	1,504	1.7	1,763	17.2	2,494	9.9	2,763	10.8
Marine	463	(1.0)	386	(16.6)	659	4.4	588	(10.8)
Personal accident	1,075	(3.5)	1,069	(0.6)	1,156	(2.6)	1,090	(5.7)
Voluntary automobile	5,006	1.8	5,107	2.0	5,058	1.8	5,169	2.2
CALI	1,397	5.5	1,188	(15.0)	1,281	2.2	1,062	(17.1)
Other	2,088	3.9	2,169	3.9	2,461	4.7	2,648	7.6
Total	11,535	1.9	11,684	1.3	13,112	3.6	13,322	1.6

## (3) Net claims paid

(Yen in 100 millions)

	Nine months ended December 31, 2019			Nine months ended December 31, 2020			
	Amount	Change ratio %	Net loss ratio %	Amount	Change ratio %	Net loss ratio %	Change %
Fire and allied	1,353	(10.1)	92.7	1,035	(23.5)	61.2	(31.5)
Marine	246	1.5	55.8	276	12.1	74.5	18.7
Personal accident	533	(1.1)	54.1	516	(3.0)	53.0	(1.1)
Voluntary automobile	2,627	3.1	60.7	2,374	(9.6)	55.4	(5.3)
CALI	954	(6.4)	75.3	882	(7.6)	82.2	6.9
Other	1,066	16.6	53.3	1,159	8.7	55.7	2.4
Total	6,783	0.2	64.5	6,245	(7.9)	59.5	(5.0)

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

## (Reference) Incurred losses caused by natural disasters in Japan

(Yen in 100 millions)

	Nine months ended December 31, 2019			Nine months ended December 31, 2020		
	Incurred losses	Net claims paid	Outstanding claims	Incurred losses	Net claims paid	Outstanding claims
Fire and allied	572	488	84	323	232	90
Voluntary automobile	51	61	(10)	18	22	(4)
Other	59	24	35	18	15	3
Total	683	574	108	360	270	90

(Note) The above table describes losses caused by natural disasters in Japan, which exclude residential earthquake insurance, incurred during the respective period.

## (4) Expenses

&lt;Company expenses&gt;

(Yen in 100 millions)

	Items	Nine months ended December 31, 2019			Nine months ended December 31, 2020		
		Amount	Change	Change ratio %	Amount	Change	Change ratio %
Personnel expenses	1	1,246	(22)	(1.8)	1,235	(10)	(0.9)
Non-personnel expenses	2	979	49	5.3	1,056	77	7.9
Taxes and contributions	3	94	(0)	(0.6)	98	3	4.1
Total	4	2,320	25	1.1	2,390	70	3.0

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

&lt;Expenses for underwriting&gt;

(Yen in 100 millions)

	Items	Nine months ended December 31, 2019			Nine months ended December 31, 2020		
		Amount	Change	Change ratio %	Amount	Change	Change ratio %
Operating expenses and general and administrative expenses	5	1,570	16	1.1	1,595	25	1.6
Commissions and collection expenses	6	2,077	83	4.2	2,198	121	5.8
Total	7	3,648	99	2.8	3,794	146	4.0
Net expense ratio	8	31.6 %	0.2 %		32.5 %	0.9 %	

**(5) Catastrophe reserve**

(Yen in 100 millions)

	March 31, 2020		December 31, 2020			
	Balance	Reserve ratio	Reversal	Provision	Balance	Reserve ratio
		%				%
Fire and allied	998	48.6	105	157	1,051	44.8
Marine	813	131.4	29	4	788	153.0
Personal accident	748	51.0	-	34	782	54.9
Voluntary automobile	978	14.6	-	163	1,142	16.8
Other	1,907	68.4	23	68	1,952	67.5
Total	5,446	39.9	158	428	5,717	40.9

(Note) Reserve ratio = catastrophe reserve / net premiums written (excluding premiums of residential earthquake insurance and CALI) x 100  
Reserve ratio for December 31, 2020 is calculated on an annualized basis using net premiums written multiplied by four thirds as a denominator.

**(6) Investment assets**

(Yen in 100 millions)

	March 31, 2020	December 31, 2020	
			Change
Cash, deposits and savings	5,009	3,929	(1,079)
Investments in securities:	49,255	53,374	4,118
Domestic bonds	15,342	15,170	(172)
Domestic stocks	14,339	17,616	3,276
Foreign securities	18,948	19,863	914
Other securities	624	723	99
Loans	4,006	4,214	208
Land and buildings	1,900	1,868	(32)
Total	60,171	63,386	3,214

(Reference)

Long-term investment assets	10,394	9,769	(624)
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**(7) Breakdown of interest and dividends income**

(Yen in 100 millions)

	Nine months ended December 31, 2019	Nine months ended December 31, 2020	
			Change
Investments in securities:	775	730	(45)
Domestic bonds	123	113	(9)
Domestic stocks	437	389	(47)
Foreign securities	204	213	9
Other securities	9	13	3
Loans	22	20	(2)
Land and buildings	48	47	(1)
Other	8	5	(3)
Total	854	802	(52)

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

(Yen in 100 millions)

December 31, 2020	Cost	Fair value	Difference	Change from March 31, 2020
Domestic bonds	13,958	15,170	1,212	(131)
Domestic stocks	5,632	17,223	11,591	3,482
Foreign securities	4,721	5,024	303	268
Other securities	357	401	43	52
Total	24,670	37,820	13,150	3,671

(Yen in 100 millions)

March 31, 2020	Cost	Fair value	Difference
Domestic bonds	13,999	15,342	1,343
Domestic stocks	5,836	13,945	8,108
Foreign securities	4,587	4,622	35
Other securities	345	336	(8)
Total	24,768	34,246	9,478

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

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

**Gains and losses on sales of securities**

(Yen in 100 millions)

	Nine months ended December 31, 2019 Gains/(losses)	Nine months ended December 31, 2020 Gains/(losses)	Gains	Losses
Domestic bonds	24	5	5	0
Domestic stocks	264	267	270	3
Foreign securities	98	30	38	8
Other securities	6	0	0	-
Total	394	303	315	12

**Impairment losses on securities**

(Yen in 100 millions)

	Nine months ended December 31, 2019	Nine months ended December 31, 2020	Change
Domestic bonds	-	-	-
Domestic stocks	38	27	(11)
Foreign securities	0	-	(0)
Other securities	-	-	-
Total	39	27	(11)

(Note) Apart from the above, Losses on valuation of shares of subsidiaries and associates of ¥186.3 billion was recorded under Extraordinary losses in the nine months ended December 31, 2019.

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

#### (1) Business Results

(Yen in 100 millions)

	Items	Nine months ended December 31, 2019	Nine months ended December 31, 2020	Change	Change ratio %
(+) Net premiums written	1	9,626	9,603	(22)	(0.2)
(-) Net claims paid	2	5,514	5,062	(452)	(8.2)
(-) Loss adjustment expenses	3	497	525	27	5.5
(-) Commissions and collection expenses	4	1,909	1,970	61	3.2
(-) Operating expenses and general and administrative expenses for underwriting	5	1,388	1,366	(22)	(1.6)
Underwriting profit before movements in reserves	6	316	679	363	114.8
(-) Movement in outstanding claims	7	2	131	128	4,551.5
(-) Movement in ordinary underwriting reserves	8	390	202	(187)	(48.1)
(+) Other	9	42	44	1	3.7
Underwriting profit/(loss) before movement in catastrophe reserve	10	(34)	389	424	-
(-) Movement in catastrophe reserve	11	(77)	304	381	-
Underwriting profit	12	43	85	42	97.6
(+) Interest and dividends income	13	466	427	(38)	(8.3)
(-) Transfer of investment income on deposit premiums from policyholders	14	118	108	(10)	(8.7)
Net interest and dividends income (item 13 - item 14)	15	347	319	(28)	(8.1)
(+) Gains/(losses) on sales of securities	16	297	118	(178)	(60.1)
(-) Impairment losses on securities	17	19	13	(6)	(32.9)
(+) Other	18	(69)	(58)	10	-
Investment profit	19	556	366	(189)	(34.1)
(+) Other ordinary profit/(loss)	20	16	(25)	(42)	(260.0)
Ordinary profit	21	615	426	(189)	(30.8)
(+) Extraordinary income/(losses):	22	(20)	(63)	(43)	-
Gains/(losses) on reserve for price fluctuation	23	(13)	(13)	(0)	-
Income before income taxes	24	595	363	(232)	(39.0)
(-) Income taxes	25	140	65	(75)	(53.7)
Net income	26	455	298	(157)	(34.5)

Ratios	Net loss ratio	Note 1	27	62.5 %	58.2 %	(4.3) %	
	Net expense ratio	Note 2	28	34.3 %	34.7 %	0.4 %	
	Combined ratio	Note 3	29	96.8 %	92.9 %	(3.9) %	

Incurred losses (including loss adjustment expenses)		Note 4, 5	30	5,129	4,871	(258)	(5.0)
EI loss ratio		Note 4, 6	31	63.4 %	58.6 %	(4.8) %	

- (Notes) 1. Net loss ratio = (net claims paid + loss adjustment expenses) / net premiums written x 100  
2. Net expense ratio = (commissions and collection expenses + operating expenses and general and administrative expenses for underwriting) / net premiums written x 100  
3. Combined ratio = net loss ratio + net expense ratio  
4. The calculation is exclusive of residential earthquake insurance and CALI.  
5. Incurred losses (including loss adjustment expenses) = net claims paid + loss adjustment expenses + movement in outstanding claims  
6. EI loss ratio = incurred losses (including loss adjustment expenses) / earned premiums x 100  
Earned premiums are calculated based on unearned premiums (excluding underwriting reserves for natural disasters), premium reserve, etc.



## (2) Premiums written

(Yen in 100 millions)

	Net premiums written				Direct premiums written (excluding deposit premiums from policyholders)			
	Nine months ended December 31, 2019		Nine months ended December 31, 2020		Nine months ended December 31, 2019		Nine months ended December 31, 2020	
	Amount	Change ratio %	Amount	Change ratio %	Amount	Change ratio %	Amount	Change ratio %
Fire and allied	1,526	12.4	1,557	2.0	1,911	16.9	2,056	7.6
Marine	57	(9.7)	50	(11.9)	0	717.2	0	(99.7)
Personal accident	434	(10.7)	442	1.8	464	(8.2)	476	2.8
Voluntary automobile	5,333	3.9	5,448	2.2	5,060	2.1	5,225	3.3
CALI	1,238	4.4	1,078	(12.9)	1,352	3.7	1,134	(16.1)
Other	1,036	2.5	1,027	(0.9)	1,170	3.0	1,217	4.0
Total	9,626	4.2	9,603	(0.2)	9,959	4.5	10,110	1.5

## (3) Net claims paid

(Yen in 100 millions)

	Nine months ended December 31, 2019			Nine months ended December 31, 2020			
	Amount	Change ratio %	Net loss ratio %	Amount	Change ratio %	Net loss ratio %	Change %
Fire and allied	1,166	(24.9)	78.5	993	(14.9)	66.9	(11.6)
Marine	32	13.0	57.4	27	(16.3)	54.6	(2.8)
Personal accident	192	(3.6)	49.6	191	(0.6)	49.3	(0.3)
Voluntary automobile	2,844	2.5	59.6	2,569	(9.7)	53.5	(6.1)
CALI	814	(7.2)	72.5	742	(8.8)	75.9	3.4
Other	463	3.9	47.4	538	16.0	55.2	7.8
Total	5,514	(6.2)	62.5	5,062	(8.2)	58.2	(4.3)

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

## (Reference) Incurred losses caused by natural disasters in Japan

(Yen in 100 millions)

	Nine months ended December 31, 2019			Nine months ended December 31, 2020		
	Incurred losses	Net claims paid	Outstanding claims	Incurred losses	Net claims paid	Outstanding claims
Fire and allied	467	421	46	204	200	4
Voluntary automobile	56	79	(22)	15	19	(4)
Other	33	11	22	8	4	3
Total	557	512	45	228	224	4

(Note) The above table describes losses caused by natural disasters in Japan, which exclude residential earthquake insurance, incurred during the respective period.

## (4) Expenses

&lt;Company expenses&gt;

(Yen in 100 millions)

	Items	Nine months ended December 31, 2019			Nine months ended December 31, 2020		
		Amount	Change	Change ratio %	Amount	Change	Change ratio %
Personnel expenses	1	960	16	1.8	949	(10)	(1.1)
Non-personnel expenses	2	905	92	11.4	943	38	4.3
Taxes and contributions	3	85	2	3.0	72	(13)	(15.6)
Total	4	1,951	111	6.1	1,966	14	0.8

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

&lt;Expenses for underwriting&gt;

(Yen in 100 millions)

	Items	Nine months ended December 31, 2019			Nine months ended December 31, 2020		
		Amount	Change	Change ratio %	Amount	Change	Change ratio %
Operating expenses and general and administrative expenses	5	1,388	102	8.0	1,366	(22)	(1.6)
Commissions and collection expenses	6	1,909	105	5.9	1,970	61	3.2
Total	7	3,297	208	6.7	3,336	39	1.2
Net expense ratio	8	34.3 %	0.9 %		34.7 %	0.4 %	

**(5) Catastrophe reserve**

(Yen in 100 millions)

	March 31, 2020		December 31, 2020			
	Balance	Reserve ratio	Reversal	Provision	Balance	Reserve ratio
		%				%
Fire and allied	858	43.1	164	264	958	46.2
Marine	98	136.2	3	0	96	143.4
Personal accident	662	116.4	-	14	676	114.8
Voluntary automobile	571	8.0	-	174	746	10.3
Other	768	55.9	11	30	786	57.4
Total	2,959	26.6	179	484	3,263	28.7

(Note) Reserve ratio = catastrophe reserve / net premiums written (excluding premiums of residential earthquake insurance and CALI) x 100  
Reserve ratio for December 31, 2020 is calculated on an annualized basis using net premiums written multiplied by four thirds as a denominator.

**(6) Investment assets**

(Yen in 100 millions)

	March 31, 2020	December 31, 2020	
			Change
Cash, deposits and savings	1,765	2,001	235
Investments in securities:	23,176	25,367	2,190
Domestic bonds	8,290	7,850	(439)
Domestic stocks	6,969	8,870	1,900
Foreign securities	7,158	7,728	569
Other securities	757	918	160
Loans	2,181	2,243	62
Land and buildings	1,598	1,695	96
Total	28,721	31,307	2,585

(Reference)

Long-term investment assets	3,578	3,326	(252)
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**(7) Breakdown of interest and dividends income**

(Yen in 100 millions)

	Nine months ended December 31, 2019	Nine months ended December 31, 2020	
			Change
Investments in securities:	401	366	(35)
Domestic bonds	64	58	(5)
Domestic stocks	202	179	(23)
Foreign securities	107	109	1
Other securities	26	19	(7)
Loans	15	15	0
Land and buildings	35	35	(0)
Other	13	9	(3)
Total	466	427	(38)

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

(Yen in 100 millions)

December 31, 2020	Cost	Fair value	Difference	Change from March 31, 2020
Domestic bonds	7,349	7,850	501	(38)
Domestic stocks	3,736	8,602	4,865	1,955
Foreign securities	6,230	6,832	601	277
Other securities	751	810	59	80
Total	18,067	24,096	6,028	2,275

(Yen in 100 millions)

March 31, 2020	Cost	Fair value	Difference
Domestic bonds	7,750	8,290	540
Domestic stocks	3,798	6,708	2,910
Foreign securities	5,957	6,282	324
Other securities	672	651	(20)
Total	18,179	21,932	3,753

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

**Gains and losses on sales of securities**

(Yen in 100 millions)

	Nine months ended December 31, 2019 Gains/(losses)	Nine months ended December 31, 2020 Gains/(losses)	Gains	Losses
Domestic bonds	22	8	11	2
Domestic stocks	252	62	64	2
Foreign securities	21	47	54	7
Other securities	-	-	-	-
Total	297	118	130	12

**Impairment losses on securities**

(Yen in 100 millions)

	Nine months ended December 31, 2019	Nine months ended December 31, 2020	Change
Domestic bonds	-	-	-
Domestic stocks	19	7	(11)
Foreign securities	0	5	5
Other securities	-	-	-
Total	19	13	(6)

## 4. Supplementary Information

### (1) Supplementary Information on Consolidated Business Results

#### (a) Consolidated Business Results

(Yen in 100 millions)

	Nine months ended December 31, 2019	Nine months ended December 31, 2020	Change	Change ratio
<b>Ordinary income and expenses:</b>				
<b>Underwriting income:</b>	<b>36,050</b>	<b>29,326</b>	<b>(6,723)</b>	<b>(18.7) %</b>
Net premiums written	27,253	26,787	(465)	(1.7)
Deposit premiums from policyholders	601	617	16	2.7
Life insurance premiums	7,837	1,564	(6,273)	(80.0)
<b>Underwriting expenses:</b>	<b>32,442</b>	<b>31,333</b>	<b>(1,108)</b>	<b>(3.4)</b>
Net claims paid	15,287	14,103	(1,183)	(7.7)
Loss adjustment expenses	1,305	1,377	72	5.5
Commissions and collection expenses	5,450	5,502	51	0.9
Maturity refunds to policyholders	1,666	1,715	48	2.9
Life insurance claims	2,965	2,773	(192)	(6.5)
Provision for outstanding claims	422	861	439	104.2
Provision for underwriting reserves	5,252	4,861	(390)	(7.4)
<b>Investment income:</b>	<b>5,211</b>	<b>10,273</b>	<b>5,062</b>	<b>97.1</b>
Interest and dividends income	2,391	2,298	(93)	(3.9)
Investment gains on money trusts	598	1,686	1,088	181.9
Investment gains on trading securities	593	244	(348)	(58.7)
Gains on sales of securities	810	1,225	414	51.2
Investment gains on separate accounts	1,085	2,370	1,284	118.3
<b>Investment expenses:</b>	<b>1,084</b>	<b>947</b>	<b>(137)</b>	<b>(12.6)</b>
Investment losses on money trusts	62	378	315	503.4
Losses on sales of securities	56	58	1	2.9
Impairment losses on securities	57	128	70	121.6
Losses on derivative transactions	356	362	5	1.5
<b>Operating expenses and general and administrative expenses</b>	<b>5,095</b>	<b>5,022</b>	<b>(72)</b>	<b>(1.4)</b>
<b>Other ordinary income and expenses:</b>	<b>8</b>	<b>(93)</b>	<b>(102)</b>	<b>(1,163.3)</b>
Gains/(losses) on equity method investments	41	(45)	(87)	(210.0)
<b>Ordinary profit</b>	<b>2,647</b>	<b>2,202</b>	<b>(445)</b>	<b>(16.8)</b>
<b>Extraordinary income and losses:</b>				
<b>Extraordinary income</b>	<b>905</b>	<b>90</b>	<b>(815)</b>	<b>(90.0)</b>
<b>Extraordinary losses</b>	<b>1,728</b>	<b>243</b>	<b>(1,484)</b>	<b>(85.9)</b>
<b>Extraordinary income/(losses)</b>	<b>(822)</b>	<b>(153)</b>	<b>669</b>	<b>-</b>
<b>Income before income taxes</b>	<b>1,824</b>	<b>2,049</b>	<b>224</b>	<b>12.3</b>
<b>Income taxes</b>	<b>(892)</b>	<b>520</b>	<b>1,413</b>	<b>-</b>
<b>Net income</b>	<b>2,717</b>	<b>1,528</b>	<b>(1,189)</b>	<b>(43.8)</b>
<b>Net income attributable to non-controlling interests</b>	<b>18</b>	<b>27</b>	<b>9</b>	<b>52.8</b>
<b>Net income attributable to owners of the parent</b>	<b>2,699</b>	<b>1,500</b>	<b>(1,198)</b>	<b>(44.4)</b>

(Notes) 1. Extraordinary income for the nine months ended December 31, 2019 includes reversal of reserve for price fluctuation of ¥79.6 billion.  
2. Extraordinary losses for the nine months ended December 31, 2019 include impairment losses of ¥171.4 billion.  
3. Income taxes for the nine months ended December 31, 2019 include a decrease of ¥165.7 billion mainly due to recognizing deferred tax assets related to reorganization of Mitsui Sumitomo Insurance's international business.

## (b) Premiums Written and Net Claims Paid by Line of Insurance

### Direct Premiums Written by Line of Insurance (including Deposit premiums from policyholders)

(Yen in millions)

Lines of Insurance	Nine months ended December 31, 2019			Nine months ended December 31, 2020		
	Amount	Share (%)	Change ratio (%)	Amount	Share (%)	Change ratio (%)
Fire and allied	573,303	19.6	10.2	602,607	20.7	5.1
Marine	149,029	5.1	1.7	152,012	5.2	2.0
Personal accident	237,886	8.1	(2.3)	226,167	7.8	(4.9)
Voluntary automobile	1,183,088	40.4	1.3	1,196,700	41.0	1.2
CALI	263,448	9.0	3.0	219,777	7.5	(16.6)
Other	522,025	17.8	(1.2)	519,877	17.8	(0.4)
<b>Total:</b>	<b>2,928,781</b>	<b>100.0</b>	<b>2.3</b>	<b>2,917,142</b>	<b>100.0</b>	<b>(0.4)</b>
Deposit premiums from policyholders	60,135	2.1	(5.1)	61,783	2.1	2.7

### Net Premiums Written by Line of Insurance

(Yen in millions)

Lines of Insurance	Nine months ended December 31, 2019			Nine months ended December 31, 2020		
	Amount	Share (%)	Change ratio (%)	Amount	Share (%)	Change ratio (%)
Fire and allied	456,027	16.7	4.6	470,742	17.6	3.2
Marine	123,042	4.5	2.1	118,461	4.4	(3.7)
Personal accident	183,898	6.8	(5.3)	170,637	6.4	(7.2)
Voluntary automobile	1,228,404	45.1	2.3	1,229,766	45.9	0.1
CALI	263,936	9.7	5.0	226,963	8.5	(14.0)
Other	470,009	17.2	(0.0)	462,187	17.2	(1.7)
<b>Total</b>	<b>2,725,319</b>	<b>100.0</b>	<b>2.0</b>	<b>2,678,760</b>	<b>100.0</b>	<b>(1.7)</b>

### Net Claims Paid by Line of Insurance

(Yen in millions)

Lines of Insurance	Nine months ended December 31, 2019			Nine months ended December 31, 2020		
	Amount	Share (%)	Change ratio (%)	Amount	Share (%)	Change ratio (%)
Fire and allied	320,014	20.9	(18.0)	272,361	19.3	(14.9)
Marine	58,763	3.9	(0.7)	55,814	4.0	(5.0)
Personal accident	85,456	5.6	2.7	85,776	6.1	0.4
Voluntary automobile	662,359	43.3	1.7	597,950	42.4	(9.7)
CALI	177,297	11.6	(6.8)	162,824	11.5	(8.2)
Other	224,877	14.7	8.7	235,651	16.7	4.8
<b>Total</b>	<b>1,528,769</b>	<b>100.0</b>	<b>(3.3)</b>	<b>1,410,379</b>	<b>100.0</b>	<b>(7.7)</b>

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

## (c) Investments in Securities

### 1. Trading securities

(Yen in millions)

	March 31, 2020		December 31, 2020	
	Carrying amount	Unrealized gains/(losses) included in income	Carrying amount	Unrealized gains/(losses) included in income
Trading securities	2,949,868	(107,583)	2,987,036	186,605

(Note) "Trading securities" includes certificates of deposits included in Cash, deposits and savings, and commercial papers included in Monetary claims bought on the consolidated balance sheet.

### 2. Held-to-maturity securities

(Yen in millions)

Items	March 31, 2020			December 31, 2020		
	Carrying amount	Fair value	Difference	Carrying amount	Fair value	Difference
Domestic Bonds	1,095,428	1,311,673	216,244	1,094,913	1,291,154	196,240
Foreign Securities	4,003	4,066	62	3,645	3,787	141
Other Securities	13,108	13,108	-	5,657	5,657	-
Total	1,112,541	1,328,848	216,307	1,104,216	1,300,598	196,382

(Note) "Other Securities" includes certificates of deposits included in Cash, deposits and savings, and commercial papers included in Monetary claims bought on the consolidated balance sheet.

### 3. Debt securities earmarked for underwriting reserves

(Yen in millions)

Items	March 31, 2020			December 31, 2020		
	Carrying amount	Fair value	Difference	Carrying amount	Fair value	Difference
Domestic Bonds	1,020,255	1,089,940	69,684	1,324,587	1,330,151	5,563
Foreign Securities	1,382,664	1,523,118	140,453	1,256,797	1,420,657	163,860
Total	2,402,920	2,613,059	210,138	2,581,385	2,750,809	169,423

### 4. Available-for-sale securities

(Yen in millions)

Items	March 31, 2020			December 31, 2020		
	Cost	Carrying amount	Difference	Cost	Carrying amount	Difference
Domestic Bonds	3,429,477	3,700,304	270,827	3,330,462	3,568,590	238,127
Domestic Stocks	1,018,732	2,065,614	1,046,882	987,250	2,582,867	1,595,616
Foreign Securities	2,578,973	2,651,182	72,209	2,906,271	3,089,381	183,109
Other Securities	274,406	269,561	(4,845)	279,663	293,005	13,341
Total	7,301,590	8,686,663	1,385,073	7,503,649	9,533,844	2,030,195

(Notes) 1. Available-for-sale securities without practically determinable fair value are not included in the above table.

2. "Other Securities" includes certificates of deposits included in Cash, deposits and savings, and commercial papers and loan receivable trust beneficiary certificates included in Monetary claims bought on the consolidated balance sheet.

3. The Company and its consolidated subsidiaries recognized impairment losses on Available-for-sale securities with practically determinable fair value as follows.

For the year ended March 31, 2020: ¥36,009 million (comprised of ¥31,843 million on Domestic stocks and ¥4,165 million on Foreign securities)

For the nine months ended December 31, 2020: ¥10,794 million (comprised of ¥6,663 million on Domestic stocks and ¥4,131 million on Foreign securities)

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

## (2) Summary of Business Results of Main Consolidated Subsidiaries

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

#### Non-Consolidated Balance Sheets

(Yen in millions)

Items	March 31, 2020	December 31, 2020
<b>(Assets)</b>		
Cash, deposits and savings	489,791	376,763
Receivables under resale agreements	-	1,999
Monetary claims bought	8,217	9,816
Money trusts	2,961	4,377
Investments in securities	4,925,543	5,337,401
Loans	400,609	421,435
Tangible fixed assets	209,951	206,392
Intangible fixed assets	98,478	99,020
Other assets	419,666	337,418
Deferred tax assets	111,516	10,865
Customers' liabilities under acceptances and guarantees	25,987	24,782
Bad debt reserve	(6,635)	(6,437)
<b>Total assets</b>	<b>6,686,089</b>	<b>6,823,835</b>
<b>(Liabilities)</b>		
<b>Policy liabilities:</b>	<b>3,715,273</b>	<b>3,703,790</b>
Outstanding claims	629,241	641,380
Underwriting reserves	3,086,032	3,062,410
<b>Bonds issued</b>	<b>587,093</b>	<b>587,093</b>
<b>Other liabilities:</b>	<b>566,927</b>	<b>557,010</b>
Income taxes payable	3,744	30,123
Lease obligations	1,297	1,375
Asset retirement obligations	3,913	3,952
Other liabilities	557,973	521,558
<b>Reserve for pension and retirement benefits</b>	<b>120,827</b>	<b>117,959</b>
<b>Reserve for retirement benefits for officers</b>	<b>316</b>	<b>238</b>
<b>Accrued bonuses for employees</b>	<b>10,633</b>	<b>456</b>
<b>Reserves under the special laws:</b>	<b>19,007</b>	<b>22,089</b>
Reserve for price fluctuation	19,007	22,089
<b>Acceptances and guarantees</b>	<b>25,987</b>	<b>24,782</b>
<b>Total liabilities</b>	<b>5,046,067</b>	<b>5,013,421</b>
<b>(Net assets)</b>		
<b>Common stock</b>	<b>139,595</b>	<b>139,595</b>
<b>Capital surplus</b>	<b>93,107</b>	<b>93,107</b>
<b>Retained earnings</b>	<b>698,675</b>	<b>609,741</b>
<b>Total shareholders' equity</b>	<b>931,378</b>	<b>842,444</b>
<b>Net unrealized gains/(losses) on investments in securities</b>	<b>683,030</b>	<b>944,782</b>
<b>Net deferred gains/(losses) on hedges</b>	<b>25,613</b>	<b>23,186</b>
<b>Total valuation and translation adjustments</b>	<b>708,643</b>	<b>967,969</b>
<b>Total net assets</b>	<b>1,640,022</b>	<b>1,810,413</b>
<b>Total liabilities and net assets</b>	<b>6,686,089</b>	<b>6,823,835</b>

**Non-Consolidated Statements of Income**

(Yen in millions)

Items	Nine months ended December 31, 2019	Nine months ended December 31, 2020
<b>Ordinary income:</b>	<b>1,420,361</b>	<b>1,359,250</b>
<b>Underwriting income:</b>	<b>1,309,851</b>	<b>1,259,383</b>
Net premiums written	1,153,558	1,168,453
Deposit premiums from policyholders	41,910	45,413
Investment income on deposit premiums from policyholders	23,215	21,752
Reversal of outstanding claims	5,018	-
Reversal of underwriting reserves	86,111	23,622
<b>Investment income:</b>	<b>107,580</b>	<b>96,702</b>
Interest and dividends income	85,497	80,266
Investment gains on money trusts	423	1,429
Gains on sales of securities	41,482	31,583
Transfer of investment income on deposit premiums from policyholders	(23,215)	(21,752)
<b>Other ordinary income</b>	<b>2,929</b>	<b>3,164</b>
<b>Ordinary expenses:</b>	<b>1,252,140</b>	<b>1,234,578</b>
<b>Underwriting expenses:</b>	<b>1,070,832</b>	<b>1,053,222</b>
Net claims paid	678,302	624,573
Loss adjustment expenses	65,971	70,111
Commissions and collection expenses	207,786	219,897
Maturity refunds to policyholders	117,737	124,087
Provision for outstanding claims	-	12,139
<b>Investment expenses:</b>	<b>7,886</b>	<b>4,862</b>
Losses on sales of securities	2,025	1,200
Impairment losses on securities	3,923	2,730
<b>Operating expenses and general and administrative expenses</b>	<b>166,064</b>	<b>168,941</b>
<b>Other ordinary expenses:</b>	<b>7,356</b>	<b>7,551</b>
Interest expense	7,014	7,442
<b>Ordinary profit</b>	<b>168,221</b>	<b>124,672</b>
<b>Extraordinary income</b>	<b>74,239</b>	<b>700</b>
<b>Extraordinary losses</b>	<b>187,378</b>	<b>3,839</b>
<b>Income before income taxes</b>	<b>55,082</b>	<b>121,532</b>
<b>Income taxes</b>	<b>(106,544)</b>	<b>37,952</b>
<b>Net income</b>	<b>161,627</b>	<b>83,580</b>



**Non-Consolidated Solvency Margin Ratio**

Insurance companies running their business in Japan calculate the non-consolidated solvency margin ratio pursuant to the provisions of Articles 86 and 87 of the Insurance Business Act Enforcement Regulations and Public Notice No. 50 issued by the Ministry of Finance in 1996.

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

The non-consolidated solvency margin ratio, or item (C) in each of the tables below, which is calculated in accordance with the Insurance Business Act, is the ratio of “solvency margin of insurance companies calculated based on their capital and other reserves”, or (A) the total amount of solvency margin, to “risks exceeding the normal range of estimates”, or (B) the total amount of risks.

The non-consolidated solvency margin ratio is one of the objective indicators used by the insurance regulatory authorities to supervise insurance companies. A non-consolidated solvency margin ratio of 200% or over indicates adequate ability to satisfy insurance claims and other payment requirements.

(Yen in millions)

	March 31, 2020	December 31, 2020
(A) Total amount of solvency margin	3,076,392	3,393,216
Total net assets	879,578	842,444
Reserve for price fluctuation	19,007	22,089
Contingency reserve	-	-
Catastrophe reserve	550,227	577,314
General bad debt reserve	86	80
Net unrealized gains/(losses) on investments in securities and net deferred gains/(losses) on hedges (prior to tax effect deductions)	852,586	1,179,601
Net unrealized gains/(losses) on land	54,618	65,549
Excess of policyholders' contract deposits (a)	-	-
Subordinated debts, etc. (b)	487,093	487,093
Amount excluded from the margin, out of (a) and (b)	-	-
Deductions	3,642	3,642
Others	236,835	222,683
(B) Total amount of risks $\sqrt{(R_1 + R_2)^2 + (R_3 + R_4)^2} + R_5 + R_6$	877,260	917,787
General insurance risk (R <sub>1</sub> )	136,088	137,488
Insurance risk of third sector insurance contracts (R <sub>2</sub> )	-	-
Assumed interest rate risk (R <sub>3</sub> )	13,475	13,159
Asset management risk (R <sub>4</sub> )	700,269	760,211
Business administration risk (R <sub>5</sub> )	19,617	20,453
Catastrophe risk (R <sub>6</sub> )	131,040	111,836
(C) Solvency margin ratio [(A) / {(B) x 1/2}] x 100	701.3 %	739.4 %

(Note) The non-consolidated solvency margin ratio for December 31, 2020 is calculated by partially applying the simplified method where components are calculated based on the data used for September 30, 2020.

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

(Yen in millions)

Items	March 31, 2020	December 31, 2020
<b>(Assets)</b>		
<b>Cash, deposits and savings</b>	<b>174,108</b>	<b>197,814</b>
<b>Money trusts</b>	<b>2,441</b>	<b>2,332</b>
<b>Investments in securities</b>	<b>2,317,658</b>	<b>2,536,738</b>
<b>Loans</b>	<b>218,147</b>	<b>224,369</b>
<b>Tangible fixed assets</b>	<b>182,184</b>	<b>183,370</b>
<b>Intangible fixed assets</b>	<b>55,884</b>	<b>60,883</b>
<b>Other assets</b>	<b>381,021</b>	<b>360,187</b>
<b>Prepaid pension expenses</b>	<b>19,427</b>	<b>19,820</b>
<b>Deferred tax assets</b>	<b>63,162</b>	<b>-</b>
<b>Customers' liabilities under acceptances and guarantees</b>	<b>7,500</b>	<b>10,500</b>
<b>Bad debt reserve</b>	<b>(804)</b>	<b>(775)</b>
<b>Total assets</b>	<b>3,420,733</b>	<b>3,595,240</b>
<b>(Liabilities)</b>		
<b>Policy liabilities:</b>	<b>2,366,879</b>	<b>2,405,893</b>
Outstanding claims	564,436	577,563
Underwriting reserves	1,802,443	1,828,329
<b>Bonds issued</b>	<b>72,000</b>	<b>72,000</b>
<b>Other liabilities:</b>	<b>265,188</b>	<b>237,367</b>
Income taxes payable	10,090	1,907
Lease obligations	2	1
Asset retirement obligations	891	847
Other liabilities	254,203	234,611
<b>Reserve for pension and retirement benefits</b>	<b>34,378</b>	<b>36,402</b>
<b>Accrued bonuses for employees</b>	<b>6,619</b>	<b>785</b>
<b>Reserves under the special laws:</b>	<b>30,088</b>	<b>31,408</b>
Reserve for price fluctuation	30,088	31,408
<b>Deferred tax liabilities</b>	<b>-</b>	<b>140</b>
<b>Acceptances and guarantees</b>	<b>7,500</b>	<b>10,500</b>
<b>Total liabilities</b>	<b>2,782,654</b>	<b>2,794,498</b>
<b>(Net assets)</b>		
<b>Common stock</b>	<b>100,005</b>	<b>100,005</b>
<b>Capital surplus</b>	<b>81,207</b>	<b>81,207</b>
<b>Retained earnings</b>	<b>185,491</b>	<b>184,679</b>
<b>Total shareholders' equity</b>	<b>366,703</b>	<b>365,892</b>
<b>Net unrealized gains/(losses) on investments in securities</b>	<b>271,374</b>	<b>434,848</b>
<b>Total valuation and translation adjustments</b>	<b>271,374</b>	<b>434,848</b>
<b>Total net assets</b>	<b>638,078</b>	<b>800,741</b>
<b>Total liabilities and net assets</b>	<b>3,420,733</b>	<b>3,595,240</b>

**Non-Consolidated Statements of Income**

(Yen in millions)

Items	Nine months ended December 31, 2019	Nine months ended December 31, 2020
<b>Ordinary income:</b>	<b>1,065,452</b>	<b>1,037,809</b>
<b>Underwriting income:</b>	<b>992,924</b>	<b>988,295</b>
Net premiums written	962,658	960,369
Deposit premiums from policyholders	18,224	16,370
Investment income on deposit premiums from policyholders	11,851	10,826
<b>Investment income:</b>	<b>66,193</b>	<b>45,429</b>
Interest and dividends income	46,646	42,788
Investment gains on money trusts	2	0
Gains on sales of securities	30,287	13,088
Transfer of investment income on deposit premiums from policyholders	(11,851)	(10,826)
<b>Other ordinary income</b>	<b>6,334</b>	<b>4,084</b>
<b>Ordinary expenses:</b>	<b>1,003,865</b>	<b>995,187</b>
<b>Underwriting expenses:</b>	<b>849,922</b>	<b>844,803</b>
Net claims paid	551,455	506,203
Loss adjustment expenses	49,791	52,540
Commissions and collection expenses	190,900	197,017
Maturity refunds to policyholders	48,926	47,464
Provision for outstanding claims	282	13,127
Provision for underwriting reserves	6,689	25,886
<b>Investment expenses:</b>	<b>6,771</b>	<b>4,712</b>
Losses on sales of securities	560	1,214
Impairment losses on securities	1,936	1,300
<b>Operating expenses and general and administrative expenses</b>	<b>145,358</b>	<b>144,086</b>
<b>Other ordinary expenses:</b>	<b>1,812</b>	<b>1,583</b>
Interest expense	419	590
<b>Ordinary profit</b>	<b>61,586</b>	<b>42,622</b>
<b>Extraordinary income</b>	<b>90</b>	<b>73</b>
<b>Extraordinary losses</b>	<b>2,094</b>	<b>6,378</b>
<b>Income before income taxes</b>	<b>59,583</b>	<b>36,316</b>
<b>Income taxes</b>	<b>14,047</b>	<b>6,500</b>
<b>Net income</b>	<b>45,535</b>	<b>29,815</b>

**Non-Consolidated Solvency Margin Ratio**

(Yen in millions)

	March 31, 2020	December 31, 2020
(A) Total amount of solvency margin	1,148,081	1,412,826
Total net assets	348,002	365,892
Reserve for price fluctuation	30,088	31,408
Contingency reserve	906	1,029
Catastrophe reserve	299,132	329,681
General bad debt reserve	123	158
Net unrealized gains/(losses) on investments in securities and net deferred gains/(losses) on hedges (prior to tax effect deductions)	338,684	542,784
Net unrealized gains/(losses) on land	27,385	36,117
Excess of policyholders' contract deposits (a)	-	-
Subordinated debts, etc. (b)	58,800	54,400
Amount excluded from the margin, out of (a) and (b)	-	-
Deductions	4,269	4,579
Others	49,228	55,934
(B) Total amount of risks $\sqrt{(R_1 + R_2)^2 + (R_3 + R_4)^2} + R_5 + R_6$	326,916	365,693
General insurance risk ( $R_1$ )	114,413	115,983
Insurance risk of third sector insurance contracts ( $R_2$ )	-	-
Assumed interest rate risk ( $R_3$ )	6,634	6,351
Asset management risk ( $R_4$ )	194,535	234,899
Business administration risk ( $R_5$ )	8,060	8,926
Catastrophe risk ( $R_6$ )	87,425	89,085
(C) Solvency margin ratio [(A) / {(B) x 1/2}] x 100	702.3 %	772.6 %

(Note) The non-consolidated solvency margin ratio for December 31, 2020 is calculated by partially applying the simplified method where components are calculated based on the data used for September 30, 2020.

**(c) Mitsui Direct General Insurance Co., Ltd. (Non-consolidated)****Non-Consolidated Balance Sheets**

(Yen in millions)

Items	March 31, 2020	December 31, 2020
<b>(Assets)</b>		
<b>Cash, deposits and savings</b>	<b>12,133</b>	<b>11,862</b>
<b>Investments in securities</b>	<b>35,972</b>	<b>37,978</b>
<b>Tangible fixed assets</b>	<b>447</b>	<b>583</b>
<b>Intangible fixed assets</b>	<b>5,880</b>	<b>4,854</b>
<b>Other assets</b>	<b>5,339</b>	<b>5,256</b>
<b>Bad debt reserve</b>	<b>(4)</b>	<b>(2)</b>
<b>Total assets</b>	<b>59,768</b>	<b>60,534</b>
<b>(Liabilities)</b>		
<b>Policy liabilities:</b>	<b>43,705</b>	<b>42,127</b>
Outstanding claims	22,946	22,380
Underwriting reserves	20,759	19,747
<b>Other liabilities:</b>	<b>1,405</b>	<b>1,548</b>
Income taxes payable	95	286
Asset retirement obligations	18	18
Other liabilities	1,291	1,243
<b>Reserve for pension and retirement benefits</b>	<b>219</b>	<b>264</b>
<b>Accrued bonuses for employees</b>	<b>288</b>	<b>-</b>
<b>Reserves under the special laws:</b>	<b>79</b>	<b>84</b>
Reserve for price fluctuation	79	84
<b>Deferred tax liabilities</b>	<b>50</b>	<b>34</b>
<b>Total liabilities</b>	<b>45,750</b>	<b>44,060</b>
<b>(Net assets)</b>		
<b>Common stock</b>	<b>39,106</b>	<b>39,106</b>
<b>Capital surplus</b>	<b>9,006</b>	<b>9,006</b>
<b>Retained earnings</b>	<b>(34,083)</b>	<b>(31,646)</b>
<b>Total shareholders' equity</b>	<b>14,028</b>	<b>16,465</b>
<b>Net unrealized gains/(losses) on investments in securities</b>	<b>(10)</b>	<b>8</b>
<b>Total valuation and translation adjustments</b>	<b>(10)</b>	<b>8</b>
<b>Total net assets</b>	<b>14,017</b>	<b>16,473</b>
<b>Total liabilities and net assets</b>	<b>59,768</b>	<b>60,534</b>

**Non-Consolidated Statements of Income**

(Yen in millions)

Items	Nine months ended December 31, 2019	Nine months ended December 31, 2020
<b>Ordinary income:</b>	<b>28,073</b>	<b>28,184</b>
<b>Underwriting income:</b>	<b>28,036</b>	<b>28,144</b>
Net premiums written	26,354	26,548
Investment income on deposit premiums from policyholders	17	16
Reversal of outstanding claims	552	566
Reversal of underwriting reserves	1,112	1,012
<b>Investment income:</b>	<b>20</b>	<b>20</b>
Interest and dividends income	37	37
Transfer of investment income on deposit premiums from policyholders	(17)	(16)
<b>Other ordinary income</b>	<b>17</b>	<b>19</b>
<b>Ordinary expenses:</b>	<b>27,752</b>	<b>25,517</b>
<b>Underwriting expenses:</b>	<b>20,683</b>	<b>17,771</b>
Net claims paid	18,422	15,460
Loss adjustment expenses	2,015	2,068
Commissions and collection expenses	244	242
<b>Investment expenses</b>	<b>-</b>	<b>-</b>
<b>Operating expenses and general and administrative expenses</b>	<b>7,067</b>	<b>7,743</b>
<b>Other ordinary expenses</b>	<b>2</b>	<b>1</b>
<b>Ordinary profit</b>	<b>321</b>	<b>2,666</b>
<b>Extraordinary income</b>	<b>-</b>	<b>-</b>
<b>Extraordinary losses</b>	<b>5</b>	<b>6</b>
<b>Income before income taxes</b>	<b>315</b>	<b>2,660</b>
<b>Income taxes</b>	<b>71</b>	<b>223</b>
<b>Net income</b>	<b>244</b>	<b>2,437</b>

**Non-Consolidated Solvency Margin Ratio**

(Yen in millions)

	March 31, 2020	December 31, 2020
(A) Total amount of solvency margin	15,305	17,461
Total net assets	14,028	16,465
Reserve for price fluctuation	79	84
Contingency reserve	0	0
Catastrophe reserve	1,205	899
General bad debt reserve	2	0
Net unrealized gains/(losses) on investments in securities and net deferred gains/(losses) on hedges (prior to tax effect deductions)	(10)	10
Net unrealized gains/(losses) on land	-	-
Excess of policyholders' contract deposits (a)	-	-
Subordinated debts, etc. (b)	-	-
Amount excluded from the margin, out of (a) and (b)	-	-
Deductions	-	-
Others	-	-
(B) Total amount of risks $\sqrt{(R_1 + R_2)^2 + (R_3 + R_4)^2} + R_5 + R_6$	5,809	5,817
General insurance risk ( $R_1$ )	5,227	5,227
Insurance risk of third sector insurance contracts ( $R_2$ )	-	-
Assumed interest rate risk ( $R_3$ )	0	0
Asset management risk ( $R_4$ )	955	993
Business administration risk ( $R_5$ )	194	195
Catastrophe risk ( $R_6$ )	300	300
(C) Solvency margin ratio [(A) / {(B) x 1/2}] x 100	526.9 %	600.3 %

(Note) The non-consolidated solvency margin ratio for December 31, 2020 is calculated by partially applying the simplified method where components are calculated based on the data used for September 30, 2020.

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

(Yen in millions)

Items	March 31, 2020	December 31, 2020
<b>(Assets)</b>		
Cash, deposits and savings	196,400	112,810
Receivables under resale agreements	407,722	198,100
Investments in securities	3,757,612	4,061,764
Loans	63,130	59,195
Tangible fixed assets	4,345	3,434
Intangible fixed assets	32,841	30,082
Due from agencies	1,996	1,585
Reinsurance accounts receivable	868	438
Other assets	45,651	42,891
Bad debt reserve	(97)	(88)
<b>Total assets</b>	<b>4,510,472</b>	<b>4,510,215</b>
<b>(Liabilities)</b>		
<b>Policy liabilities:</b>	<b>3,779,645</b>	<b>3,943,110</b>
Outstanding claims	31,886	31,248
Underwriting reserves	3,737,682	3,902,055
Reserve for dividends to policyholders	10,077	9,806
<b>Due to agencies</b>	<b>3,623</b>	<b>3,006</b>
<b>Reinsurance accounts payable</b>	<b>291</b>	<b>295</b>
<b>Other liabilities:</b>	<b>449,640</b>	<b>285,601</b>
Payables under repurchase agreements	412,965	200,362
Payables under securities lending transactions	25,072	74,712
Income taxes payable	532	3,137
Lease obligations	1,296	655
Asset retirement obligations	437	431
Other liabilities	9,336	6,302
<b>Reserve for pension and retirement benefits</b>	<b>3,856</b>	<b>4,273</b>
<b>Reserve for retirement benefits for officers</b>	<b>9</b>	<b>7</b>
<b>Reserves under the special laws:</b>	<b>8,725</b>	<b>9,512</b>
Reserve for price fluctuation	8,725	9,512
<b>Deferred tax liabilities</b>	<b>3,891</b>	<b>1,873</b>
<b>Total liabilities</b>	<b>4,249,683</b>	<b>4,247,681</b>
<b>(Net assets)</b>		
<b>Common stock</b>	<b>85,500</b>	<b>85,500</b>
<b>Capital surplus</b>	<b>93,688</b>	<b>93,688</b>
<b>Retained earnings</b>	<b>19,000</b>	<b>25,934</b>
<b>Total shareholders' equity</b>	<b>198,188</b>	<b>205,122</b>
<b>Net unrealized gains/(losses) on investments in securities</b>	<b>62,599</b>	<b>57,411</b>
<b>Total valuation and translation adjustments</b>	<b>62,599</b>	<b>57,411</b>
<b>Total net assets</b>	<b>260,788</b>	<b>262,534</b>
<b>Total liabilities and net assets</b>	<b>4,510,472</b>	<b>4,510,215</b>



**Non-Consolidated Statements of Income**

(Yen in millions)

Items	Nine months ended December 31, 2019	Nine months ended December 31, 2020
<b>Ordinary income:</b>	<b>436,155</b>	<b>418,841</b>
<b>Insurance premiums and others:</b>	<b>393,177</b>	<b>376,383</b>
Insurance premiums	382,891	375,857
<b>Investment income:</b>	<b>39,751</b>	<b>39,229</b>
Interest and dividends income	35,505	36,555
Gains on sales of securities	3,988	2,189
Gains on derivative transactions	230	419
<b>Other ordinary income:</b>	<b>3,225</b>	<b>3,228</b>
Reversal of outstanding claims	1,567	637
<b>Ordinary expenses:</b>	<b>421,299</b>	<b>397,856</b>
<b>Insurance claims and others:</b>	<b>175,482</b>	<b>162,252</b>
Insurance claims	34,244	35,380
Annuity payments	14,443	14,521
Benefits	22,058	23,017
Surrender benefits	89,863	85,395
Other refunds	3,075	2,751
<b>Provision for underwriting reserves and others:</b>	<b>171,173</b>	<b>164,373</b>
Provision for underwriting reserves	171,173	164,373
Provision for interest portion of reserve for dividends to policyholders	0	0
<b>Investment expenses:</b>	<b>1,127</b>	<b>223</b>
Losses on sales of securities	1,098	199
<b>Operating expenses</b>	<b>60,780</b>	<b>57,418</b>
<b>Other ordinary expenses</b>	<b>12,736</b>	<b>13,589</b>
<b>Ordinary profit</b>	<b>14,856</b>	<b>20,985</b>
<b>Extraordinary income</b>	<b>0</b>	<b>0</b>
<b>Extraordinary losses</b>	<b>813</b>	<b>806</b>
<b>Provision for reserve for dividends to policyholders</b>	<b>4,624</b>	<b>2,869</b>
<b>Income before income taxes</b>	<b>9,418</b>	<b>17,310</b>
<b>Income taxes</b>	<b>2,458</b>	<b>4,579</b>
<b>Net income</b>	<b>6,959</b>	<b>12,730</b>

**Business Results****Amount of Policies in Force and New Policies****(1) Policies in force**

(Yen in 100 millions)

	March 31, 2020		December 31, 2020	
	Number of policies (in thousands)	Amount	Number of policies (in thousands)	Amount
Individual insurance	3,726	237,974	3,794	236,722
Individual annuities	171	6,605	167	6,466
Group insurance	-	88,884	-	92,335
Group annuities	-	2	-	2

(Notes) 1. The amounts of individual annuities represent the total sum of (a) the funds to be held at the time annuity payments are to commence for the policies for which annuity payments have not yet commenced and (b) the underwriting reserves for the policies for which annuity payments have commenced.

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

**(2) New policies**

(Yen in 100 millions)

	Nine months ended December 31, 2019				Nine months ended December 31, 2020			
	Number of policies (in thousands)	Amount	New policies	Net increase by conversion	Number of policies (in thousands)	Amount	New policies	Net increase by conversion
Individual insurance	239	15,447	15,447	-	188	13,016	13,016	-
Individual annuities	0	44	44	-	0	35	35	-
Group insurance	-	677	677	-	-	1,080	1,080	-
Group annuities	-	-	-	-	-	-	-	-

(Note) The amounts of individual annuities represent the funds to be held at the time annuity payments are to commence.

**Annualized Premiums****(1) Policies in force**

(Yen in 100 millions)

	March 31, 2020	December 31, 2020
Individual insurance	4,075	4,068
Individual annuities	406	405
Total:	4,481	4,474
Medical coverage, living benefits, etc.	1,381	1,440

**(2) New policies**

(Yen in 100 millions)

	Nine months ended December 31, 2019	Nine months ended December 31, 2020
Individual insurance	215	191
Individual annuities	1	1
Total:	217	192
Medical coverage, living benefits, etc.	147	108

(Notes) 1. An annualized premium is the annual total of premiums that is obtained by multiplying the amount of a single payment with the number of payments per year in accordance with the premium payment method. An annualized premium for a lump-sum payment policy is the premium divided by the number of years of coverage.

2. "Medical coverage, living benefits, etc." represents the portion of annualized premiums that corresponds to medical coverage benefits (for hospitalization, surgeries, etc.), living benefits (for specified diseases, nursing care, etc.) and premium waiver benefits (excluding those for disability, but including those for specified diseases, nursing care, etc.).

**Non-Consolidated Business Performance**

(Yen in millions)

	Nine months ended December 31, 2019	Nine months ended December 31, 2020	Change
Fundamental revenues:	431,938	416,224	(15,713)
Insurance premiums and others	393,177	376,383	(16,793)
Fundamental expenses	419,167	397,005	(22,162)
Fundamental profit	12,770	19,219	6,448
Capital gains/(losses)	3,120	2,410	(709)
Non-recurring gains/(losses)	(1,035)	(644)	390
Ordinary profit	14,856	20,985	6,129
Extraordinary income	0	0	0
Extraordinary losses	813	806	(7)
Provision for reserve for dividends to policyholders	4,624	2,869	(1,754)
Income taxes	2,458	4,579	2,121
Net income	6,959	12,730	5,770

**Non-Consolidated Solvency Margin Ratio**

(Yen in millions)

	March 31, 2020	December 31, 2020
(A) Total amount of solvency margin	492,307	499,746
Total capital	193,323	201,513
Reserve for price fluctuation	8,725	9,512
Contingency reserve	38,888	39,541
General bad debt reserve	3	3
Net unrealized gains/(losses) on investments in securities and net deferred gains/(losses) on hedges (prior to tax effect deductions) x 90%	78,249	71,764
Net unrealized gains/(losses) on land x 85%	-	-
Excess of continued Zillmerized reserve (a)	168,067	168,228
Subordinated debts, etc. (b)	-	-
Amount excluded from the margin, out of (a) and (b)	-	-
Brought in capital	-	-
Deductions	-	-
Others	5,048	9,182
(B) Total amount of risks $\sqrt{(R_1 + R_8)^2 + (R_2 + R_3 + R_7)^2} + R_4$	63,551	66,888
Insurance risk (R <sub>1</sub> )	18,352	18,428
Insurance risk of third sector insurance contracts (R <sub>8</sub> )	16,532	17,045
Assumed interest rate risk (R <sub>2</sub> )	3,210	3,237
Minimum guarantee risk (R <sub>7</sub> )	-	-
Asset management risk (R <sub>3</sub> )	47,841	51,333
Business administration risk (R <sub>4</sub> )	1,718	1,800
(C) Solvency margin ratio [(A) / {(B) x 1/2}] x 100	1,549.3 %	1,494.2 %

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

(Yen in millions)

Items	March 31, 2020	December 31, 2020
<b>(Assets)</b>		
Cash, deposits and savings	399,783	578,214
Monetary claims bought	100,995	103,992
Money trusts	1,660,997	1,889,006
Investments in securities	4,342,621	4,357,338
Loans	215,294	247,510
Tangible fixed assets	1,046	923
Intangible fixed assets	12,565	13,407
Reinsurance accounts receivable	8,971	5,767
Other assets	29,497	23,980
Deferred tax assets	43,132	21,722
<b>Total assets</b>	<b>6,814,907</b>	<b>7,241,864</b>
<b>(Liabilities)</b>		
<b>Policy liabilities:</b>	<b>6,463,416</b>	<b>6,790,747</b>
Outstanding claims	19,394	24,192
Underwriting reserves	6,444,021	6,766,555
<b>Due to agencies</b>	<b>3,581</b>	<b>3,282</b>
<b>Reinsurance accounts payable</b>	<b>4,997</b>	<b>5,006</b>
<b>Other liabilities:</b>	<b>68,587</b>	<b>71,654</b>
Income taxes payable	1,396	4,853
Lease obligations	881	718
Asset retirement obligations	177	179
Other liabilities	66,132	65,903
<b>Reserves under the special laws:</b>	<b>79,500</b>	<b>92,220</b>
Reserve for price fluctuation	79,500	92,220
<b>Total liabilities</b>	<b>6,620,083</b>	<b>6,962,911</b>
<b>(Net assets)</b>		
<b>Common stock</b>	<b>41,060</b>	<b>41,060</b>
<b>Capital surplus</b>	<b>24,735</b>	<b>24,735</b>
<b>Retained earnings</b>	<b>117,883</b>	<b>146,957</b>
<b>Total shareholders' equity</b>	<b>183,678</b>	<b>212,752</b>
<b>Net unrealized gains/(losses) on investments in securities</b>	<b>(5,340)</b>	<b>56,279</b>
<b>Net deferred gains/(losses) on hedges</b>	<b>16,486</b>	<b>9,920</b>
<b>Total valuation and translation adjustments</b>	<b>11,145</b>	<b>66,200</b>
<b>Total net assets</b>	<b>194,823</b>	<b>278,953</b>
<b>Total liabilities and net assets</b>	<b>6,814,907</b>	<b>7,241,864</b>

**Non-Consolidated Statements of Income**

(Yen in millions)

Items	Nine months ended December 31, 2019	Nine months ended December 31, 2020
<b>Ordinary income:</b>	<b>956,838</b>	<b>1,368,290</b>
<b>Insurance premiums and others:</b>	<b>719,522</b>	<b>601,529</b>
Insurance premiums	681,801	510,131
<b>Investment income:</b>	<b>234,319</b>	<b>763,806</b>
Interest and dividends income	67,947	64,343
Investment gains on money trusts	53,148	129,451
Gains on sales of securities	4,541	68,912
Investment gains on separate accounts	108,588	237,070
<b>Other ordinary income</b>	<b>2,997</b>	<b>2,955</b>
<b>Ordinary expenses:</b>	<b>939,683</b>	<b>1,305,857</b>
<b>Insurance claims and others:</b>	<b>461,552</b>	<b>942,134</b>
Insurance claims	71,243	79,143
Annuity payments	64,984	62,410
Benefits	134,220	151,567
Surrender benefits	100,133	488,844
Other refunds	3,129	3,081
<b>Provision for underwriting reserves and others:</b>	<b>375,091</b>	<b>327,331</b>
Provision for outstanding claims	1,217	4,797
Provision for underwriting reserves	373,873	322,533
<b>Investment expenses:</b>	<b>57,960</b>	<b>364</b>
Interest expense	15	11
Losses on sales of securities	460	319
<b>Operating expenses</b>	<b>38,237</b>	<b>29,112</b>
<b>Other ordinary expenses</b>	<b>6,841</b>	<b>6,914</b>
<b>Ordinary profit</b>	<b>17,155</b>	<b>62,432</b>
<b>Extraordinary income</b>	<b>8,780</b>	<b>-</b>
<b>Extraordinary losses</b>	<b>-</b>	<b>12,720</b>
<b>Income before income taxes</b>	<b>25,935</b>	<b>49,712</b>
<b>Income taxes</b>	<b>7,125</b>	<b>13,750</b>
<b>Net income</b>	<b>18,809</b>	<b>35,961</b>

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

## (1) Policies in force

(Yen in 100 millions)

	March 31, 2020		December 31, 2020	
	Number of policies (in thousands)	Amount	Number of policies (in thousands)	Amount
Individual insurance	825	42,587	771	44,586
Individual annuities	386	22,553	386	23,578
Group insurance	-	-	-	-
Group annuities	-	-	-	-

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

## (2) New policies

(Yen in 100 millions)

	Nine months ended December 31, 2019				Nine months ended December 31, 2020			
	Number of policies (in thousands)	Amount	New policies	Net increase by conversion	Number of policies (in thousands)	Amount	New policies	Net increase by conversion
Individual insurance	75	5,572	5,572	-	47	4,253	4,253	-
Individual annuities	20	1,322	1,322	-	13	845	845	-
Group insurance	-	-	-	-	-	-	-	-
Group annuities	-	-	-	-	-	-	-	-

(Note) The amounts of individual annuities represent the funds to be held at the time annuity payments are to commence (the premium reserves at the time of enrollment in the case of individual variable annuities).

**Annualized Premiums**

## (1) Policies in force

(Yen in 100 millions)

	March 31, 2019	December 31, 2020
Individual insurance	3,318	3,645
Individual annuities	2,660	2,668
Total:	5,979	6,313
Medical coverage, living benefits, etc.	0	2

## (2) New policies

(Yen in 100 millions)

	Nine months ended December 31, 2019	Nine months ended December 31, 2020
Individual insurance	515	451
Individual annuities	236	165
Total:	751	617
Medical coverage, living benefits, etc.	-	2

(Notes) 1. An annualized premium is the annual total of premiums that is obtained by multiplying the amount of a single payment with the number of payments per year in accordance with the premium payment method. An annualized premium for a lump-sum payment policy is the premium divided by the number of years of coverage.

2. "Medical coverage, living benefits, etc." represents the portion of annualized premiums that corresponds to medical coverage benefits (for hospitalization, surgeries, etc.), living benefits (for specified diseases, nursing care, etc.) and premium waiver benefits (excluding those for disability, but including those for specified diseases, nursing care, etc.).

**Non-Consolidated Business Performance**

(Yen in millions)

	Nine months ended December 31, 2019	Nine months ended December 31, 2020	Change
Fundamental revenues:	958,947	1,326,575	367,628
Insurance premiums and others	719,522	601,529	(117,993)
Fundamental expenses	960,331	1,304,426	344,094
Fundamental profit/(loss)	(1,384)	22,149	23,533
Capital gains/(losses)	20,786	41,395	20,608
Non-recurring gains/(losses)	(2,246)	(1,111)	1,135
Ordinary profit	17,155	62,432	45,277
Extraordinary income	8,780	-	(8,780)
Extraordinary losses	-	12,720	12,720
Provision for reserve for dividends to policyholders	-	-	-
Income taxes	7,125	13,750	6,625
Net income	18,809	35,961	17,151

**Non-Consolidated Solvency Margin Ratio**

(Yen in millions)

	March 31, 2020	December 31, 2020
(A) Total amount of solvency margin	546,005	652,048
Total capital	179,481	212,752
Reserve for price fluctuation	79,500	92,220
Contingency reserve	80,497	81,609
General bad debt reserve	-	-
Net unrealized gains/(losses) on investments in securities and net deferred gains/(losses) on hedges (prior to tax effect deductions) x 90% (100% in case of negative value)	(7,417)	69,938
Net unrealized gains/(losses) on land x 85%	-	-
Excess of continued Zillmerized reserve (a)	172,286	141,139
Subordinated debts, etc. (b)	-	-
Amount excluded from the margin, out of (a) and (b)	-	-
Brought in capital	-	-
Deductions	-	-
Others	41,657	54,387
(B) Total amount of risks $\sqrt{(R_1 + R_8)^2 + (R_2 + R_3 + R_7)^2} + R_4$	146,376	152,821
Insurance risk (R <sub>1</sub> )	996	1,040
Insurance risk of third sector insurance contracts (R <sub>8</sub> )	2	2
Assumed interest rate risk (R <sub>2</sub> )	53,345	50,246
Minimum guarantee risk (R <sub>7</sub> )	1,656	1,488
Asset management risk (R <sub>3</sub> )	88,480	98,066
Business administration risk (R <sub>4</sub> )	2,889	3,016
(C) Solvency margin ratio [(A) / {(B) x 1/2}] x 100	746.0 %	853.3 %