SUMMARY OF FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED JUNE 30, 2021

August 6, 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:	August 6, 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 Three Months Ended June 30, 2021 (April 1, 2021 to June 30, 2021)

(1) Consolidated business performance (Yen in millions)

	Ordinary income		Ordinary profit		Net income attributable to owners of the parent	
Three months ended June 30, 2021	1,298,270	(16.3) %	165,145	50.0 %	118,748	22.8 %
Three months ended June 30, 2020	1,551,774	3.6 %	110,116	(6.6) %	96,699	0.7 %

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

(Note) Comprehensive income
For the three months ended June 30, 2021: ¥ 254,481 million 10.2 %
For the three months ended June 30, 2020: ¥ 230,884 million 170.4 %

(Yen)

	Net income attributable to owners of the parent per share - Basic	Net income attributable to owners of the parent per share - Diluted
Three months ended June 30, 2021	212.84	212.75
Three months ended June 30, 2020	170.28	170.18

(2) Consolidated financial conditions (Yen in millions)

	Total assets	Net assets	Ratio of net assets less non-controlling interests to total assets
June 30, 2021	24,492,557	3,330,460	13.4 %
March 31, 2021	24,142,562	3,126,657	12.8 %

(Reference) Net assets less non-controlling interests
As of June 30, 2021: ¥ 3,287,827 million
As of March 31, 2021: ¥ 3,084,349 million

2. Dividends

(Yen)

	Dividends per share				
	1st quarter	2nd quarter	3rd quarter	4th quarter	Annual total
Year ended March 31, 2021	-	75.00	-	80.00	155.00
Year ending March 31, 2022	-				
Year ending March 31, 2022 (Forecast)		80.00	-	80.00	160.00

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

3. Consolidated Earnings Forecasts for the Year Ending March 31, 2022 (April 1, 2021 to March 31, 2022)

(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, 2022	330,000	7.7 %	230,000	59.3 %	413.44

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: Yes
2. Changes in accounting policies other than above: None
3. Changes in accounting estimates: None
4. Restatements: None

(Note) For details, please refer to "Changes in Accounting Policies" on page 5 of the Appendix.

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

1. Number of shares of issued stock (including treasury stock)	
As of June 30, 2021:	593,473,207 shares
As of March 31, 2021:	593,473,207 shares
2. Number of shares of treasury stock	
As of June 30, 2021:	36,696,554 shares
As of March 31, 2021:	35,263,101 shares
3. Average number of shares of outstanding stock	
For the three months ended June 30, 2021:	557,897,663 shares
For the three months ended June 30, 2020:	567,878,619 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 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.

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Consolidated Financial Statements and Main Notes

1. Consolidated Balance Sheets

(Yen in millions)

	March 31, 2021	June 30, 2021
Assets		
Cash, deposits and savings	2,057,789	2,038,607
Receivables under resale agreements	1,999	1,999
Monetary claims bought	175,740	159,483
Money trusts	1,717,804	1,760,415
Investments in securities	16,793,584	16,943,520
Loans	960,174	952,439
Tangible fixed assets	494,818	491,963
Intangible fixed assets	431,929	448,605
Other assets	1,436,401	1,620,967
Assets for retirement benefits	26,768	27,738
Deferred tax assets	30,549	30,077
Customers' liabilities under acceptances and guarantees	28,500	26,000
Bad debt reserve	(13,498)	(9,259)
Total assets	24,142,562	24,492,557
Liabilities		
Policy liabilities:	18,107,028	18,248,821
Outstanding claims	2,256,900	2,287,094
Underwriting reserves	15,850,128	15,961,726
Bonds issued	809,093	809,093
Other liabilities	1,602,349	1,605,974
Liabilities for pension and retirement benefits	160,828	156,021
Reserve for retirement benefits for officers	241	207
Accrued bonuses for employees	28,256	9,493
Reserves under the special laws:	244,975	246,754
Reserve for price fluctuation	244,975	246,754
Deferred tax liabilities	34,630	59,731
Acceptances and guarantees	28,500	26,000
Total liabilities	21,015,905	21,162,096
Net assets		
Shareholders' equity:		
Common stock	100,276	100,276
Capital surplus	553,428	553,423
Retained earnings	1,078,850	1,152,941
Treasury stock	(119,267)	(124,057)
Total shareholders' equity	1,613,287	1,682,584
Accumulated other comprehensive income:		
Net unrealized gains/(losses) on investments in securities	1,630,325	1,690,196
Net deferred gains/(losses) on hedges	14,997	12,547
Foreign currency translation adjustments	(178,080)	(100,824)
Accumulated actuarial gains/(losses) on retirement benefits	3,819	3,323
Total accumulated other comprehensive income	1,471,062	1,605,243
Stock acquisition rights	1,019	805
Non-controlling interests	41,288	41,827
Total net assets	3,126,657	3,330,460
Total liabilities and net assets	24,142,562	24,492,557

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

(Yen in millions)

	Three months ended June 30, 2020	Three months ended June 30, 2021
Ordinary income:	1,551,774	1,298,270
Underwriting income:	1,047,454	1,116,658
Net premiums written	943,499	981,247
Deposit premiums from policyholders	24,553	14,438
Investment income on deposit premiums from policyholders	9,655	8,789
Life insurance premiums	49,896	83,194
Reversal of outstanding claims	17,848	26,669
Investment income:	499,890	173,224
Interest and dividends income	89,844	94,030
Investment gains on money trusts	100,729	15,425
Gains on sales of securities	26,349	29,137
Investment gains on separate accounts	102,703	37,915
Transfer of investment income on deposit premiums from policyholders	(9,655)	(8,789)
Other ordinary income	4,429	8,387
Ordinary expenses:	1,441,658	1,133,125
Underwriting expenses:	1,222,109	930,247
Net claims paid	456,151	463,312
Loss adjustment expenses	45,382	47,764
Commissions and collection expenses	179,347	189,349
Maturity refunds to policyholders	49,707	39,745
Life insurance claims	71,159	102,478
Provision for underwriting reserves	414,641	86,610
Investment expenses:	36,172	25,219
Investment losses on money trusts	6,016	482
Investment losses on trading securities	10,139	4,276
Losses on sales of securities	3,029	1,046
Impairment losses on securities	5,717	7,023
Operating expenses and general and administrative expenses	167,797	171,804
Other ordinary expenses:	15,577	5,854
Interest expense	3,606	3,854
Ordinary profit	110,116	165,145
Extraordinary income:	8,188	243
Gains on sales of fixed assets	75	243
Reversal of reserve for losses on sales of shares of subsidiaries and associates	8,113	-
Extraordinary losses:	6,494	3,903
Losses on sales of fixed assets	1,039	1,099
Impairment losses on fixed assets	1,583	1,025
Provision for reserves under the special laws:	2,626	1,778
Provision for reserve for price fluctuation	2,626	1,778
Losses on change in equity	1,245	-
Income before income taxes	111,810	161,485
Income taxes	14,538	42,085
Net income	97,271	119,399
Net income attributable to non-controlling interests	571	651
Net income attributable to owners of the parent	96,699	118,748

(Consolidated Statements of Comprehensive Income)

(Yen in millions)

	Three months ended June 30, 2020	Three months ended June 30, 2021
Net income	97,271	119,399
Other comprehensive income:		
Net unrealized gains/(losses) on investments in securities	193,673	59,580
Net deferred gains/(losses) on hedges	(1,202)	(2,028)
Foreign currency translation adjustments	(55,198)	70,200
Accumulated actuarial gains/(losses) on retirement benefits	155	(493)
Share of other comprehensive income of equity method investments	(3,815)	7,823
Total other comprehensive income	133,613	135,082
Total comprehensive income	230,884	254,481
Allocation:		
Comprehensive income attributable to owners of the parent	234,461	252,929
Comprehensive income attributable to non-controlling interests	(3,576)	1,552

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.

(Changes in Accounting Policies)

(Application of “Accounting Standard for Fair Value Measurement” and Others)

The Group has applied “Accounting Standard for Fair Value Measurement” (ASBJ Statement No.30, July 4, 2019), “Implementation Guidance on Accounting Standard for Fair Value Measurement” (ASBJ Guidance No.31, June 17, 2021) and others from the beginning of the period for the three months ended June 30, 2021.

In accordance with transitional measures set forth in Paragraph 19 of “Accounting Standards for Fair Value Measurement”, Paragraph 44-2 of “Accounting Standard for Financial Instruments” (ASBJ Statement No.10, July 4, 2019) and Paragraph 27-2 of “Implementation Guidance on Accounting Standard for Fair Value Measurement”, the Group has applied new accounting policies prescribed by “Accounting Standard for Fair Value Measurement” and others prospectively from the beginning of the period for the three months ended June 30, 2021.

As a result, part of investment trusts for which it is deemed to be extremely difficult to determine the fair value that were recorded on consolidated balance sheets at cost have been changed to be recorded on consolidated balance sheets at fair value.

Explanatory Material for Business Results

1. Summary of Consolidated Business Results

(1) Consolidated Business Results

(Yen in 100 millions)

	Items	Three months ended June 30, 2020	**Three months ended June 30, 2021**	**Change**	**Change ratio**
					%
Net premiums written (non-life insurance)	1	9,434	**9,812**	**377**	**4.0**
Mitsui Sumitomo Insurance	2	3,754	**3,890**	**135**	**3.6**
Aioi Nissay Dowa Insurance	3	3,123	**3,234**	**111**	**3.6**
Simple sum	4	6,877	**7,125**	**247**	**3.6**
Mitsui Direct General Insurance	5	92	**89**	**(2)**	**(2.9)**
Overseas insurance subsidiaries	6	2,464	**2,597**	**132**	**5.4**
Insurance premiums (domestic life insurance)	7	1,990	**3,163**	**1,173**	**58.9**
Mitsui Sumitomo Aioi Life Insurance	8	1,204	**1,193**	**(10)**	**(0.9)**
Mitsui Sumitomo Primary Life Insurance	9	785	**1,969**	**1,184**	**150.7**
Ordinary profit	10	1,101	**1,651**	**550**	**50.0**
Net income attributable to owners of the parent	11	966	**1,187**	**220**	**22.8**
Mitsui Sumitomo Insurance	12	626	**637**	**11**	**1.8**
Aioi Nissay Dowa Insurance	13	309	**270**	**(38)**	**(12.6)**
Simple sum	14	936	**908**	**(27)**	**(3.0)**
Mitsui Direct General Insurance	15	12	**8**	**(3)**	**(32.2)**
Mitsui Sumitomo Aioi Life Insurance	16	48	**65**	**16**	**34.1**
Mitsui Sumitomo Primary Life Insurance	17	55	**150**	**95**	**170.8**
Overseas insurance subsidiaries	18	(259)	**88**	**348**	**-**
Others, consolidation adjustments, etc.	19	173	**(34)**	**(208)**	**(119.8)**

(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	Three months ended June 30, 2020	**Three months ended June 30, 2021**	**Change**	**Change ratio**
						%
(+)	Net premiums written	1	6,877	**7,125**	**247**	**3.6**
(-)	Net claims paid	2	3,614	**3,678**	**63**	**1.8**
(-)	Loss adjustment expenses	3	404	**430**	**25**	**6.4**
(-)	Commissions and collection expenses	4	1,383	**1,470**	**86**	**6.3**
(-)	Operating expenses and general and administrative expenses for underwriting	5	992	**1,011**	**18**	**1.9**
	Underwriting profit before movements in reserves	6	481	**533**	**51**	**10.8**
(-)	Movement in outstanding claims	7	(353)	**(143)**	**210**	**-**
(-)	Movement in ordinary underwriting reserves	8	36	**(91)**	**(128)**	**(353.5)**
(+)	Other	9	40	**28**	**(12)**	**(30.5)**
	Underwriting profit before movement in catastrophe reserve	10	839	**796**	**(42)**	**(5.1)**
(-)	Movement in catastrophe reserve	11	33	**229**	**196**	**592.6**
	Underwriting profit	12	806	**567**	**(238)**	**(29.6)**
(+)	Interest and dividends income	13	541	**640**	**99**	**18.3**
(-)	Transfer of investment income on deposit premiums from policyholders	14	110	**99**	**(10)**	**(9.7)**
	Net interest and dividends income (item 13 - item 14)	15	431	**541**	**109**	**25.4**
(+)	Gains/(losses) on sales of securities	16	102	**192**	**90**	**88.8**
(-)	Impairment losses on securities	17	13	**42**	**28**	**206.8**
(+)	Other	18	(17)	**1**	**18**	**-**
	Investment profit	19	502	**692**	**190**	**37.9**
(+)	Other ordinary profit/(loss)	20	(32)	**(30)**	**1**	**-**
	Ordinary profit	21	1,276	**1,229**	**(46)**	**(3.6)**
(+)	Extraordinary income/(losses):	22	(46)	**(42)**	**3**	**-**
	Gains/(losses) on reserve for price fluctuation	23	(14)	**(14)**	**(0)**	**-**
	Income before income taxes	24	1,230	**1,187**	**(42)**	**(3.5)**
(-)	Income taxes	25	293	**278**	**(15)**	**(5.1)**
	Net income	26	936	**908**	**(27)**	**(3.0)**

Ratios	Net loss ratio	Note 1	27	58.4 %	**57.7 %**	**(0.7) %**
	Net expense ratio	Note 2	28	34.6 %	**34.8 %**	**0.2 %**
	Combined ratio	Note 3	29	93.0 %	**92.5 %**	**(0.5) %**

Incurred losses (including loss adjustment expenses)	Note 4, 5	30	3,070	**3,428**	**358**	**11.7**
EI loss ratio	Note 4, 6	31	50.2 %	**54.4 %**	**4.2 %**	

(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	Three months ended June 30, 2020	Three months ended June 30, 2021	Change	Change ratio
Amount of new policies(Note)	1	3,335	4,732	1,397	41.9 %
Annualized premiums of new policies	2	47	63	16	34.7 %
Amount of policies in force(Note)	3	(As of the beginning of the FY2021) 242,669	242,112	(Change from the beginning of the FY2021) (556)	(0.2) %
Annualized premiums for policies in force	4	(As of the beginning of the FY2021) 4,479	4,464	(Change from the beginning of the FY2021) (15)	(0.3) %
Insurance premiums	5	1,204	1,193	(10)	(0.9) %
Ordinary profit	6	78	102	24	31.3 %
Extraordinary income/(losses)	7	(2)	(3)	(0)	-
Net income	8	48	65	16	34.1 %

(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	Three months ended June 30, 2020	Three months ended June 30, 2021	Change	Change ratio
Amount of new policies(Note)	1	792	1,980	1,187	149.8 %
Amount of policies in force(Note)	2	(As of the beginning of the FY2021) 65,958	65,279	(Change from the beginning of the FY2021) (678)	(1.0) %
Insurance premiums	3	785	1,969	1,184	150.7 %
Ordinary profit	4	86	209	123	142.4 %
Extraordinary income/(losses)	5	(9)	-	9	-
Net income	6	55	150	95	170.8 %

(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	Three months ended June 30, 2020	**Three months ended June 30, 2021**	**Change**	**Change ratio**
						%
Net premiums written		1	2,464	**2,597**	**132**	**5.4**
	Asia	2	437	**425**	**(11)**	**(2.7)**
	Europe	3	1,926	**2,077**	**150**	**7.8**
	Americas	4	101	**95**	**(5)**	**(5.9)**
Net income/(loss) attributable to owners of the parent		5	(259)	**88**	**348**	**-**
	Asia	6	39	**73**	**34**	**85.6**
	Europe	7	(189)	**(51)**	**137**	**-**
	Americas	8	(4)	**15**	**19**	**-**
	International life insurance	9	(105)	**51**	**157**	**-**

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

(1) Business Results

(Yen in 100 millions)

		Items	Three months ended June 30, 2020	**Three months ended June 30, 2021**	**Change**	**Change ratio**
						%
(+)	Net premiums written	1	3,754	**3,890**	**135**	**3.6**
(-)	Net claims paid	2	2,015	**1,985**	**(30)**	**(1.5)**
(-)	Loss adjustment expenses	3	227	**233**	**5**	**2.4**
(-)	Commissions and collection expenses	4	728	**771**	**42**	**5.8**
(-)	Operating expenses and general and administrative expenses for underwriting	5	545	**554**	**9**	**1.8**
	Underwriting profit before movements in reserves	6	237	**345**	**108**	**45.6**
(-)	Movement in outstanding claims	7	(222)	**(51)**	**171**	**-**
(-)	Movement in ordinary underwriting reserves	8	(20)	**(102)**	**(82)**	**-**
(+)	Other	9	9	**5**	**(3)**	**(40.3)**
	Underwriting profit before movement in catastrophe reserve	10	489	**504**	**15**	**3.1**
(-)	Movement in catastrophe reserve	11	(1)	**142**	**143**	**-**
	Underwriting profit	12	490	**361**	**(128)**	**(26.2)**
(+)	Interest and dividends income	13	365	**461**	**96**	**26.4**
(-)	Transfer of investment income on deposit premiums from policyholders	14	73	**66**	**(6)**	**(9.2)**
	Net interest and dividends income (item 13 - item 14)	15	291	**395**	**103**	**35.4**
(+)	Gains/(losses) on sales of securities	16	68	**117**	**49**	**71.8**
(-)	Impairment losses on securities	17	6	**15**	**9**	**145.1**
(+)	Other	18	6	**(11)**	**(17)**	**(282.5)**
	Investment profit	19	360	**486**	**126**	**35.0**
(+)	Other ordinary profit/(loss)	20	(15)	**(16)**	**(0)**	**-**
	Ordinary profit	21	834	**831**	**(3)**	**(0.4)**
(+)	Extraordinary income/(losses)	22	(11)	**(13)**	**(2)**	**-**
	Gains/(losses) on reserve for price fluctuation	23	(9)	**(10)**	**(0)**	**-**
	Income before income taxes	24	823	**818**	**(5)**	**(0.7)**
(-)	Income taxes	25	197	**180**	**(16)**	**(8.6)**
	Net income	26	626	**637**	**11**	**1.8**

			Items	Three months ended June 30, 2020	Three months ended June 30, 2021	Change	Change ratio
Ratios	Net loss ratio	Note 1	27	59.8 %	**57.0 %**	**(2.8) %**	
	Net expense ratio	Note 2	28	33.9 %	**34.1 %**	**0.2 %**	
	Combined ratio	Note 3	29	93.7 %	**91.1 %**	**(2.6) %**	

		Items	Three months ended June 30, 2020	Three months ended June 30, 2021	Change	Change ratio
Incurred losses (including loss adjustment expenses)	Note 4, 5	30	1,696	**1,878**	**181**	**10.7**
EI loss ratio	Note 4, 6	31	50.0 %	**54.1 %**	**4.1 %**	

(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)			
	Three months ended June 30, 2020		**Three months ended June 30, 2021**		Three months ended June 30, 2020		**Three months ended June 30, 2021**	
	Amount	Change ratio	**Amount**	**Change ratio**	Amount	Change ratio	**Amount**	**Change ratio**
		%		**%**		%		**%**
Fire and allied	381	(4.2)	**430**	**12.7**	756	4.6	**799**	**5.6**
Marine	141	(10.2)	**153**	**8.4**	250	(5.9)	**272**	**8.8**
Personal accident	408	1.9	**414**	**1.5**	420	(2.1)	**425**	**1.2**
Voluntary automobile	1,715	0.5	**1,738**	**1.4**	1,740	1.4	**1,766**	**1.5**
CALI	406	(4.9)	**360**	**(11.2)**	347	(21.9)	**351**	**1.2**
Other	701	0.7	**792**	**13.0**	865	4.9	**951**	**9.9**
Total	3,754	(0.9)	**3,890**	**3.6**	4,381	(0.6)	**4,566**	**4.2**

(3) Net claims paid

(Yen in 100 millions)

	Three months ended June 30, 2020			**Three months ended June 30, 2021**			
	Amount	Change ratio	Net loss ratio	**Amount**	**Change ratio**	**Net loss ratio**	**Change**
		%	%		**%**	**%**	**%**
Fire and allied	324	(6.8)	88.7	**311**	**(3.9)**	**75.9**	**(12.8)**
Marine	85	13.1	62.9	**67**	**(20.4)**	**47.8**	**(15.1)**
Personal accident	182	7.6	48.6	**170**	**(6.5)**	**45.0**	**(3.6)**
Voluntary automobile	737	(11.0)	51.6	**791**	**7.3**	**54.1**	**2.5**
CALI	294	(4.7)	79.7	**259**	**(11.8)**	**80.3**	**0.6**
Other	392	25.3	58.3	**384**	**(1.9)**	**50.8**	**(7.5)**
Total	2,015	(1.3)	59.8	**1,985**	**(1.5)**	**57.0**	**(2.8)**

(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)

	Three months ended June 30, 2020			**Three months ended June 30, 2021**		
	Incurred losses	Net claims paid	Outstanding claims	**Incurred losses**	**Net claims paid**	**Outstanding claims**
Fire and allied	16	11	4	**1**	**0**	**1**
Voluntary automobile	0	0	0	**-**	**-**	**-**
Other	0	0	0	**0**	**0**	**0**
Total	16	11	5	**1**	**0**	**1**

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

(4) Expenses

<Company expenses>

(Yen in 100 millions)

	Items	Three months ended June 30, 2020			**Three months ended June 30, 2021**		
		Amount	Change	Change ratio	**Amount**	**Change**	**Change ratio**
				%			**%**
Personnel expenses	1	418	(6)	(1.6)	**399**	**(18)**	**(4.3)**
Non-personnel expenses	2	350	45	14.8	**385**	**35**	**10.0**
Taxes and contributions	3	32	(0)	(0.2)	**34**	**2**	**7.7**
Total	4	800	38	5.1	**819**	**19**	**2.4**

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

<Expenses for underwriting>

(Yen in 100 millions)

	Items	Three months ended June 30, 2020			**Three months ended June 30, 2021**		
		Amount	Change	Change ratio	**Amount**	**Change**	**Change ratio**
				%			**%**
Operating expenses and general and administrative expenses	5	545	28	5.5	**554**	**9**	**1.8**
Commissions and collection expenses	6	728	42	6.3	**771**	**42**	**5.8**
Total	7	1,273	71	5.9	**1,326**	**52**	**4.1**
Net expense ratio	8	33.9 %	2.1 %		**34.1 %**	**0.2 %**	

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

(5) Catastrophe reserve

(Yen in 100 millions)

	March 31, 2021		June 30, 2021			
	Balance	Reserve ratio	Reversal	Provision	Balance	Reserve ratio
		%				%
Fire and allied	1,009	43.3	6	50	1,053	61.3
Marine	800	150.9	-	3	804	131.1
Personal accident	794	54.5	-	13	808	48.7
Voluntary automobile	1,197	17.5	-	55	1,253	18.0
Other	1,964	68.6	0	25	1,990	62.8
Total	5,767	41.1	6	149	5,910	41.9

(Note) Reserve ratio = catastrophe reserve / net premiums written (excluding premiums of residential earthquake insurance and CALI) x 100
Reserve ratio for June 30, 2021 is calculated on an annualized basis using net premiums written multiplied by four as a denominator.

(6) Investment assets

(Yen in 100 millions)

	March 31, 2021	June 30, 2021	Change
Cash, deposits and savings	4,904	5,409	504
Investments in securities:	54,943	56,028	1,085
Domestic bonds	15,078	14,854	(223)
Domestic stocks	18,936	19,468	532
Foreign securities	20,147	20,826	678
Other securities	781	880	98
Loans	4,233	4,159	(73)
Land and buildings	1,870	1,858	(11)
Total	65,952	67,457	1,504

(Reference)

Long-term investment assets	9,526	9,411	(115)

(7) Breakdown of interest and dividends income

(Yen in 100 millions)

	Three months ended June 30, 2020	Three months ended June 30, 2021	Change
Investments in securities:	340	438	98
Domestic bonds	37	36	(0)
Domestic stocks	211	223	12
Foreign securities	90	168	78
Other securities	1	9	7
Loans	6	6	(0)
Land and buildings	15	15	(0)
Other	1	1	(0)
Total	365	461	96

(8) Investments in securities

Unrealized gains and losses on investments in securities

(Yen in 100 millions)

June 30, 2021	Cost	Fair value	Difference	Change from March 31, 2021
Domestic bonds	**13,718**	**14,854**	**1,135**	**7**
Domestic stocks	**5,443**	**19,079**	**13,636**	**609**
Foreign securities	**6,052**	**6,846**	**793**	**456**
Other securities	**485**	**552**	**66**	**6**
Total	**25,700**	**41,332**	**15,631**	**1,081**

(Notes) 1. The above tables describe available-for-sale securities (excluding Stocks and other securities without a market price and Partnership investments).
2. "Other securities" includes loan receivable trust beneficiary certificates included in Monetary claims bought on the balance sheets.

(Yen in 100 millions)

March 31, 2021	Cost	Fair value	Difference
Domestic bonds	13,950	15,078	1,127
Domestic stocks	5,517	18,544	13,026
Foreign securities	4,840	5,176	336
Other securities	319	379	60
Total	24,627	39,178	14,550

(Notes) 1. The above tables describe available-for-sale securities with practically determinable fair value.
2. "Other securities" includes loan receivable trust beneficiary certificates included in Monetary claims bought on the balance sheets.

Gains and losses on sales of securities

(Yen in 100 millions)

	Three months ended June 30, 2020 Gains/(losses)	Three months ended June 30, 2021 Gains/(losses)	Gains	Losses
Domestic bonds	2	**4**	**4**	**0**
Domestic stocks	58	**78**	**78**	**0**
Foreign securities	7	**35**	**35**	**0**
Other securities	0	**-**	**-**	**-**
Total	68	**117**	**118**	**0**

Impairment losses on securities

(Yen in 100 millions)

	Three months ended June 30, 2020	Three months ended June 30, 2021	Change
Domestic bonds	-	**-**	**-**
Domestic stocks	6	**15**	**9**
Foreign securities	-	**-**	**-**
Other securities	-	**-**	**-**
Total	6	**15**	**9**

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

(1) Business Results

(Yen in 100 millions)

		Items	Three months ended June 30, 2020	**Three months ended June 30, 2021**	**Change**	**Change ratio**
						%
(+)	Net premiums written	1	3,123	**3,234**	**111**	**3.6**
(-)	Net claims paid	2	1,599	**1,693**	**93**	**5.9**
(-)	Loss adjustment expenses	3	177	**197**	**20**	**11.5**
(-)	Commissions and collection expenses	4	654	**699**	**44**	**6.8**
(-)	Operating expenses and general and administrative expenses for underwriting	5	447	**456**	**9**	**2.0**
	Underwriting profit before movements in reserves	6	244	**187**	**(56)**	**(23.1)**
(-)	Movement in outstanding claims	7	(131)	**(92)**	**38**	**-**
(-)	Movement in ordinary underwriting reserves	8	56	**10**	**(46)**	**(81.4)**
(+)	Other	9	31	**22**	**(8)**	**(27.5)**
	Underwriting profit before movement in catastrophe reserve	10	349	**291**	**(57)**	**(16.6)**
(-)	Movement in catastrophe reserve	11	34	**86**	**52**	**153.1**
	Underwriting profit	12	315	**205**	**(110)**	**(34.9)**
(+)	Interest and dividends income	13	176	**179**	**2**	**1.4**
(-)	Transfer of investment income on deposit premiums from policyholders	14	36	**32**	**(3)**	**(10.8)**
	Net interest and dividends income (item 13 - item 14)	15	140	**146**	**6**	**4.6**
(+)	Gains/(losses) on sales of securities	16	33	**74**	**41**	**123.6**
(-)	Impairment losses on securities	17	7	**27**	**19**	**257.3**
(+)	Other	18	(23)	**12**	**36**	**-**
	Investment profit	19	142	**206**	**64**	**45.2**
(+)	Other ordinary profit/(loss)	20	(16)	**(13)**	**2**	**-**
	Ordinary profit	21	441	**398**	**(43)**	**(9.8)**
(+)	Extraordinary income/(losses):	22	(35)	**(28)**	**6**	**-**
	Gains/(losses) on reserve for price fluctuation	23	(4)	**(4)**	**(0)**	**-**
	Income before income taxes	24	406	**369**	**(36)**	**(9.1)**
(-)	Income taxes	25	96	**98**	**1**	**2.0**
	Net income	26	309	**270**	**(38)**	**(12.6)**

			Items	Three months ended June 30, 2020	**Three months ended June 30, 2021**	**Change**	**Change ratio**
Ratios	Net loss ratio	Note 1	27	56.9 %	**58.5 %**	**1.6 %**	
	Net expense ratio	Note 2	28	35.3 %	**35.7 %**	**0.4 %**	
	Combined ratio	Note 3	29	92.2 %	**94.2 %**	**2.0 %**	
Incurred losses (including loss adjustment expenses)		Note 4, 5	30	1,373	**1,550**	**177**	**12.9**
	EI loss ratio	Note 4, 6	31	50.4 %	**54.8 %**	**4.4 %**	

(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)			
	Three months ended June 30, 2020		**Three months ended June 30, 2021**		Three months ended June 30, 2020		**Three months ended June 30, 2021**	
	Amount	Change ratio	**Amount**	**Change ratio**	Amount	Change ratio	**Amount**	**Change ratio**
		%		**%**		%		**%**
Fire and allied	380	(8.2)	**404**	**6.4**	570	5.9	**608**	**6.7**
Marine	18	(2.1)	**15**	**(15.0)**	-	-	**-**	**-**
Personal accident	159	0.9	**166**	**4.8**	173	2.9	**185**	**7.1**
Voluntary automobile	1,841	0.9	**1,917**	**4.1**	1,757	2.2	**1,807**	**2.9**
CALI	362	(5.7)	**336**	**(7.1)**	368	(21.7)	**382**	**3.7**
Other	360	(4.8)	**392**	**8.9**	433	1.4	**466**	**7.5**
Total	3,123	(1.8)	**3,234**	**3.6**	3,302	(0.6)	**3,449**	**4.5**

(3) Net claims paid

(Yen in 100 millions)

	Three months ended June 30, 2020			**Three months ended June 30, 2021**			
	Amount	Change ratio	Net loss ratio	**Amount**	**Change ratio**	**Net loss ratio**	**Change**
		%	%		**%**	**%**	**%**
Fire and allied	317	11.0	87.4	**360**	**13.4**	**92.8**	**5.4**
Marine	10	(10.6)	53.5	**13**	**30.3**	**82.1**	**28.6**
Personal accident	64	4.1	46.6	**63**	**(1.8)**	**44.0**	**(2.6)**
Voluntary automobile	789	(10.7)	49.4	**861**	**9.0**	**51.8**	**2.4**
CALI	248	(5.9)	75.0	**216**	**(12.8)**	**73.6**	**(1.4)**
Other	167	13.3	49.3	**177**	**5.9**	**47.9**	**(1.4)**
Total	1,599	(3.5)	56.9	**1,693**	**5.9**	**58.5**	**1.6**

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

(Reference) Incurred losses caused by natural disasters in Japan

(Yen in 100 millions)

	Three months ended June 30, 2020			**Three months ended June 30, 2021**		
	Incurred losses	Net claims paid	Outstanding claims	**Incurred losses**	**Net claims paid**	**Outstanding claims**
Fire and allied	8	6	2	**0**	**0**	**0**
Voluntary automobile	0	0	0	**-**	**-**	**-**
Other	0	0	0	**-**	**-**	**-**
Total	9	6	2	**0**	**0**	**0**

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

(4) Expenses

<Company expenses>

(Yen in 100 millions)

	Items	Three months ended June 30, 2020			**Three months ended June 30, 2021**		
		Amount	Change	Change ratio	**Amount**	**Change**	**Change ratio**
				%			**%**
Personnel expenses	1	318	(4)	(1.4)	**331**	**12**	**4.1**
Non-personnel expenses	2	299	9	3.1	**324**	**24**	**8.1**
Taxes and contributions	3	29	0	2.9	**29**	**(0)**	**(0.4)**
Total	4	647	5	0.8	**684**	**37**	**5.7**

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

<Expenses for underwriting>

(Yen in 100 millions)

	Items	Three months ended June 30, 2020			**Three months ended June 30, 2021**		
		Amount	Change	Change ratio	**Amount**	**Change**	**Change ratio**
				%			**%**
Operating expenses and general and administrative expenses	5	447	(5)	(1.3)	**456**	**9**	**2.0**
Commissions and collection expenses	6	654	16	2.6	**699**	**44**	**6.8**
Total	7	1,102	10	1.0	**1,156**	**53**	**4.8**
Net expense ratio	8	35.3 %	1.0		**35.7 %**	**0.4 %**	

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

(5) Catastrophe reserve

(Yen in 100 millions)

	March 31,2021		June 30, 2021			
	Balance	Reserve ratio	**Reversal**	**Provision**	**Balance**	**Reserve ratio**
		%				**%**
Fire and allied	923	44.5	**64**	**62**	**922**	**57.1**
Marine	97	138.9	**1**	**0**	**96**	**151.1**
Personal accident	680	117.5	**-**	**5**	**686**	**102.8**
Voluntary automobile	805	11.0	**-**	**61**	**866**	**11.3**
Other	786	57.8	**0**	**21**	**807**	**51.4**
Total	3,292	28.9	**65**	**151**	**3,379**	**29.2**

(Note) Reserve ratio = catastrophe reserve / net premiums written (excluding premiums of residential earthquake insurance and CALI) x 100
Reserve ratio for June 30, 2021 is calculated on an annualized basis using net premiums written multiplied by four as a denominator.

(6) Investment assets

(Yen in 100 millions)

	March 31,2021	**June 30, 2021**	**Change**
Cash, deposits and savings	2,037	**1,739**	**(298)**
Investments in securities:	26,434	**25,920**	**(514)**
Domestic bonds	7,873	**7,812**	**(61)**
Domestic stocks	9,521	**9,304**	**(217)**
Foreign securities	8,018	**7,733**	**(285)**
Other securities	1,020	**1,070**	**49**
Loans	2,329	**2,360**	**31**
Land and buildings	1,703	**1,687**	**(15)**
Total	32,504	**31,707**	**(796)**

(Reference)

Long-term investment assets	3,252	**3,183**	**(68)**

(7) Breakdown of interest and dividends income

(Yen in 100 millions)

	Three months ended June 30, 2020	**Three months ended June 30, 2021**	**Change**
Investments in securities:	156	**158**	**1**
Domestic bonds	20	**19**	**(0)**
Domestic stocks	98	**103**	**4**
Foreign securities	34	**32**	**(1)**
Other securities	3	**2**	**(1)**
Loans	5	**5**	**0**
Land and buildings	11	**11**	**(0)**
Other	2	**4**	**1**
Total	176	**179**	**2**

(8) Investments in securities

Unrealized gains and losses on investments in securities

(Yen in 100 millions)

June 30, 2021	**Cost**	**Fair value**	**Difference**	**Change from March 31, 2021**
Domestic bonds	**7,332**	**7,812**	**479**	**18**
Domestic stocks	**3,677**	**8,947**	**5,270**	**(270)**
Foreign securities	**6,308**	**6,879**	**570**	**(3)**
Other securities	**821**	**923**	**102**	**29**
Total	**18,140**	**24,563**	**6,423**	**(225)**

(Note) The above tables describe available-for-sale securities (excluding Stocks and other securities without a market price and Partnership investments).

(Yen in 100 millions)

March 31, 2021	Cost	Fair value	Difference
Domestic bonds	7,412	7,873	461
Domestic stocks	3,713	9,254	5,540
Foreign securities	6,574	7,147	573
Other securities	821	894	72
Total	18,521	25,170	6,648

(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)

	Three months ended June 30, 2020	**Three months ended June 30, 2021**		
	Gains/(losses)	**Gains/(losses)**	**Gains**	**Losses**
Domestic bonds	10	**1**	**1**	**0**
Domestic stocks	11	**38**	**39**	**1**
Foreign securities	11	**34**	**35**	**0**
Other securities	-	**-**	**-**	**-**
Total	33	**74**	**76**	**1**

Impairment losses on securities

(Yen in 100 millions)

	Three months ended June 30, 2020	**Three months ended June 30, 2021**	**Change**
Domestic bonds	-	**-**	**-**
Domestic stocks	2	**3**	**0**
Foreign securities	4	**24**	**19**
Other securities	-	**-**	**-**
Total	7	**27**	**19**

4. Supplementary Information

(1) Supplementary Information on Consolidated Business Results

(a) Consolidated Business Results

(Yen in 100 millions)

	Three months ended June 30, 2020	**Three months ended June 30, 2021**	**Change**	**Change ratio**
Ordinary income and expenses:				
Underwriting income:	**10,474**	**11,166**	**692**	**6.6 %**
Net premiums written	9,434	9,812	377	4.0
Deposit premiums from policyholders	245	144	(101)	(41.2)
Life insurance premiums	498	831	332	66.7
Reversal of outstanding claims	178	266	88	49.4
Underwriting expenses:	**12,221**	**9,302**	**(2,918)**	**(23.9)**
Net claims paid	4,561	4,633	71	1.6
Loss adjustment expenses	453	477	23	5.2
Commissions and collection expenses	1,793	1,893	100	5.6
Maturity refunds to policyholders	497	397	(99)	(20.0)
Life insurance claims	711	1,024	313	44.0
Provision for underwriting reserves	4,146	866	(3,280)	(79.1)
Investment income:	**4,998**	**1,732**	**(3,266)**	**(65.3)**
Interest and dividends income	898	940	41	4.7
Investment gains on money trusts	1,007	154	(853)	(84.7)
Gains on sales of securities	263	291	27	10.6
Investment gains on separate accounts	1,027	379	(647)	(63.1)
Investment expenses:	**361**	**252**	**(109)**	**(30.3)**
Investment losses on money trusts	60	4	(55)	(92.0)
Investment losses on trading securities	101	42	(58)	(57.8)
Losses on sales of securities	30	10	(19)	(65.4)
Impairment losses on securities	57	70	13	22.8
Operating expenses and general and administrative expenses	**1,677**	**1,718**	**40**	**2.4**
Other ordinary income and expenses:	**(111)**	**25**	**136**	**-**
Gains/(losses) on equity method investments	(103)	41	144	-
Ordinary profit	**1,101**	**1,651**	**550**	**50.0**
Extraordinary income and losses:				
Extraordinary income	**81**	**2**	**(79)**	**(97.0)**
Extraordinary losses	**64**	**39**	**(25)**	**(39.9)**
Extraordinary income/(losses)	**16**	**(36)**	**(53)**	**(316.1)**
Income before income taxes	**1,118**	**1,614**	**496**	**44.4**
Income taxes	**145**	**420**	**275**	**189.5**
Net income	**972**	**1,193**	**221**	**22.7**
Net income attributable to non-controlling interests	**5**	**6**	**0**	**14.0**
Net income attributable to owners of the parent	**966**	**1,187**	**220**	**22.8**

(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	Three months ended June 30, 2020			Three months ended June 30, 2021		
	Amount	Share (%)	Change ratio (%)	Amount	Share (%)	Change ratio (%)
Fire and allied	186,233	18.0	(0.3)	202,266	18.8	8.6
Marine	69,931	6.8	5.1	74,833	7.0	7.0
Personal accident	88,280	8.5	0.1	81,996	7.6	(7.1)
Voluntary automobile	423,283	40.9	0.8	436,409	40.6	3.1
CALI	71,643	6.9	(21.8)	73,416	6.8	2.5
Other	195,951	18.9	(5.5)	205,832	19.2	5.0
Total:	**1,035,324**	**100.0**	**(2.4)**	**1,074,756**	**100.0**	**3.8**
Deposit premiums from policyholders	24,553	2.4	10.7	14,438	1.3	(41.2)

Net Premiums Written by Line of Insurance

(Yen in millions)

Lines of Insurance	Three months ended June 30, 2020			Three months ended June 30, 2021		
	Amount	Share (%)	Change ratio (%)	Amount	Share (%)	Change ratio (%)
Fire and allied	125,703	13.3	(14.1)	144,502	14.7	15.0
Marine	52,873	5.6	6.1	55,880	5.7	5.7
Personal accident	66,997	7.1	(6.2)	68,380	7.0	2.1
Voluntary automobile	435,106	46.1	(0.7)	448,658	45.7	3.1
CALI	76,986	8.2	(5.3)	69,866	7.1	(9.2)
Other	185,832	19.7	(2.1)	193,959	19.8	4.4
Total	**943,499**	**100.0**	**(3.4)**	**981,247**	**100.0**	**4.0**

Net Claims Paid by Line of Insurance

(Yen in millions)

Lines of Insurance	Three months ended June 30, 2020			Three months ended June 30, 2021		
	Amount	Share (%)	Change ratio (%)	Amount	Share (%)	Change ratio (%)
Fire and allied	84,506	18.5	(8.7)	94,958	20.5	12.4
Marine	17,284	3.8	(4.7)	17,391	3.8	0.6
Personal accident	30,560	6.7	10.3	27,292	5.9	(10.7)
Voluntary automobile	189,279	41.5	(9.6)	199,254	43.0	5.3
CALI	54,420	11.9	(5.2)	47,743	10.3	(12.3)
Other	80,099	17.6	10.5	76,671	16.5	(4.3)
Total	**456,151**	**100.0**	**(4.5)**	**463,312**	**100.0**	**1.6**

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

(c) Investments in Securities

1. Trading securities

(Yen in millions)

	March 31, 2021		June 30, 2021	
	Carrying amount	Unrealized gains/(losses) included in income	Carrying amount	Unrealized gains/(losses) included in income
Trading securities	2,988,617	241,598	3,034,860	1,470

(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, 2021			June 30, 2021		
	Carrying amount	Fair value	Difference	Carrying amount	Fair value	Difference
Domestic Bonds	1,215,042	1,396,418	181,375	1,215,697	1,398,055	182,357
Foreign Securities	3,738	4,073	334	3,886	3,963	76
Other Securities	7,498	7,498	-	8,129	8,129	-
Total	1,226,279	1,407,989	181,710	1,227,714	1,410,148	182,434

(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, 2021			June 30, 2021		
	Carrying amount	Fair value	Difference	Carrying amount	Fair value	Difference
Domestic Bonds	1,455,825	1,451,893	(3,931)	1,532,620	1,514,428	(18,191)
Foreign Securities	839,716	916,010	76,293	799,096	875,306	76,210
Total	2,295,541	2,367,903	72,362	2,331,717	2,389,735	58,018

4. Available-for-sale securities

(Yen in millions)

Items	March 31, 2021			June 30, 2021		
	Cost	Carrying amount	Difference	Cost	Carrying amount	Difference
Domestic Bonds	3,313,562	3,532,218	218,655	3,232,989	3,453,138	220,149
Domestic Stocks	976,796	2,780,192	1,803,396	962,666	2,803,071	1,840,405
Foreign Securities	3,132,102	3,332,310	200,207	3,296,884	3,529,787	232,903
Other Securities	284,612	301,609	16,996	293,155	314,871	21,715
Total	7,707,074	9,946,330	2,239,256	7,785,695	10,100,869	2,315,173

(Notes) 1. For March 31, 2021, Available-for-sale securities without practically determinable fair value are excluded in the above table. For June 30, 2021, Stocks and other securities without a market price and Partnership investments are excluded 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. For the year ended March 31, 2021, the Company and its consolidated subsidiaries recognized impairment losses of ¥5,068 million (comprised of ¥810 million on Domestic stocks and ¥4,258 million on Foreign securities) on Available-for-sale securities (excluding securities without practically determinable fair value).
For the three months ended June 30, 2021, the Company and its consolidated subsidiaries recognized impairment losses of ¥4,242 million (comprised of ¥4,070 million on Domestic stocks and ¥172 million on Foreign securities) on Available-for-sale securities (excluding Stocks and other securities without a market price and Partnership investments).
In principle, the Company and its domestic consolidated subsidiaries recognize impairment losses on securities if the fair value declines by 30% or more from the cost.

(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, 2021	June 30, 2021
(Assets)		
Cash, deposits and savings	**477,788**	**528,754**
Receivables under resale agreements	**1,999**	**1,999**
Monetary claims bought	**5,927**	**5,501**
Money trusts	**4,787**	**4,744**
Investments in securities	**5,494,362**	**5,602,889**
Loans	**423,367**	**415,971**
Tangible fixed assets	**210,553**	**208,502**
Intangible fixed assets	**103,162**	**101,211**
Other assets	**363,016**	**348,096**
Customers' liabilities under acceptances and guarantees	**19,864**	**19,846**
Bad debt reserve	**(6,714)**	**(1,815)**
Total assets	**7,098,116**	**7,235,702**
(Liabilities)		
Policy liabilities:	**3,732,644**	**3,720,659**
Outstanding claims	668,752	664,183
Underwriting reserves	3,063,891	3,056,476
Bonds issued	**587,093**	**587,093**
Other liabilities:	**618,743**	**652,718**
Income taxes payable	3,873	3,027
Lease obligations	1,213	1,282
Asset retirement obligations	3,946	3,967
Other liabilities	609,711	644,441
Reserve for pension and retirement benefits	**113,202**	**107,366**
Reserve for retirement benefits for officers	**234**	**200**
Accrued bonuses for employees	**10,359**	**160**
Reserves under the special laws:	**23,138**	**24,180**
Reserve for price fluctuation	23,138	24,180
Deferred tax liabilities	67,609	96,186
Acceptances and guarantees	**19,864**	**19,846**
Total liabilities	**5,172,889**	**5,208,411**
(Net assets)		
Common stock	**139,595**	**139,595**
Capital surplus	**93,107**	**93,107**
Retained earnings	**618,376**	**646,593**
Total shareholders' equity	**851,080**	**879,296**
Net unrealized gains/(losses) on investments in securities	**1,052,131**	**1,126,948**
Net deferred gains/(losses) on hedges	**22,014**	**21,045**
Total valuation and translation adjustments	**1,074,146**	**1,147,994**
Total net assets	**1,925,226**	**2,027,290**
Total liabilities and net assets	**7,098,116**	**7,235,702**

Non-Consolidated Statements of Income

(Yen in millions)

Items	Three months ended June 30, 2020	Three months ended June 30, 2021
Ordinary income:	**476,949**	**473,138**
Underwriting income:	**436,768**	**419,089**
Net premiums written	375,464	389,049
Deposit premiums from policyholders	18,545	10,630
Investment income on deposit premiums from policyholders	7,327	6,651
Reversal of outstanding claims	22,265	5,111
Reversal of underwriting reserves	13,096	7,506
Investment income:	**39,349**	**53,032**
Interest and dividends income	36,508	46,157
Investment gains on money trusts	703	-
Gains on sales of securities	7,205	11,821
Transfer of investment income on deposit premiums from policyholders	(7,327)	(6,651)
Other ordinary income	**831**	**1,016**
Ordinary expenses:	**393,462**	**389,989**
Underwriting expenses:	**332,291**	**326,378**
Net claims paid	201,569	198,562
Loss adjustment expenses	22,778	23,323
Commissions and collection expenses	72,878	77,130
Maturity refunds to policyholders	34,967	27,208
Investment expenses:	**1,414**	**2,436**
Investment losses on money trusts	-	42
Losses on sales of securities	339	22
Impairment losses on securities	628	1,539
Operating expenses and general and administrative expenses	**57,262**	**58,671**
Other ordinary expenses:	**2,494**	**2,503**
Interest expense	2,469	2,463
Ordinary profit	**83,486**	**83,149**
Extraordinary income	**37**	**17**
Extraordinary losses	**1,142**	**1,364**
Income before income taxes	**82,381**	**81,801**
Income taxes	**19,708**	**18,017**
Net income	**62,672**	**63,784**

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, 2021	June 30, 2021
(A) Total amount of solvency margin	3,490,583	3,687,854
Total net assets	815,511	879,296
Reserve for price fluctuation	23,138	24,180
Contingency reserve	-	-
Catastrophe reserve	580,436	594,793
General bad debt reserve	87	85
Net unrealized gains/(losses) on investments in securities and net deferred gains/(losses) on hedges (prior to tax effect deductions)	1,313,294	1,406,631
Net unrealized gains/(losses) on land	62,327	62,327
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	212,335	237,088
(B) Total amount of risks $\sqrt{(R_1+R_2)^2+(R_3+R_4)^2}+R_5+R_6$	935,111	976,084
General insurance risk (R_1)	140,053	140,835
Insurance risk of third sector insurance contracts (R_2)	-	-
Assumed interest rate risk (R_3)	12,408	12,141
Asset management risk (R_4)	789,158	809,631
Business administration risk (R_5)	20,843	21,665
Catastrophe risk (R_6)	100,557	120,665
(C) Solvency margin ratio [(A) / {(B) x 1/2}] x 100	746.5 %	755.6 %

(Note) The non-consolidated solvency margin ratio for June 30, 2021 is calculated by partially applying the simplified method where components are calculated based on the data used for March 31, 2021.

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

Non-Consolidated Balance Sheets

(Yen in millions)

Items	March 31, 2021	June 30, 2021
(Assets)		
Cash, deposits and savings	**201,284**	**171,452**
Money trusts	**2,480**	**2,478**
Investments in securities	**2,643,427**	**2,592,002**
Loans	**232,949**	**236,068**
Tangible fixed assets	**185,009**	**182,924**
Intangible fixed assets	**63,707**	**64,427**
Other assets	**378,704**	**386,157**
Prepaid pension expenses	**20,005**	**21,231**
Deferred tax assets	**8,450**	**14,767**
Customers' liabilities under acceptances and guarantees	**10,500**	**8,000**
Bad debt reserve	**(1,240)**	**(1,240)**
Total assets	**3,745,278**	**3,678,270**
(Liabilities)		
Policy liabilities:	**2,443,083**	**2,436,765**
Outstanding claims	587,631	578,429
Underwriting reserves	1,855,451	1,858,335
Bonds issued	**72,000**	**72,000**
Other liabilities:	**304,742**	**257,553**
Income taxes payable	25,770	2,283
Lease obligations	1	1
Asset retirement obligations	835	1,205
Other liabilities	278,135	254,064
Reserve for pension and retirement benefits	**36,879**	**37,697**
Accrued bonuses for employees	**7,479**	**365**
Reserves under the special laws:	**31,896**	**32,343**
Reserve for price fluctuation	31,896	32,343
Acceptances and guarantees	**10,500**	**8,000**
Total liabilities	**2,906,581**	**2,844,726**
(Net assets)		
Common stock	**100,005**	**100,005**
Capital surplus	**81,207**	**81,207**
Retained earnings	**176,474**	**187,640**
Total shareholders' equity	**357,687**	**368,853**
Net unrealized gains/(losses) on investments in securities	**481,009**	**464,690**
Total valuation and translation adjustments	**481,009**	**464,690**
Total net assets	**838,696**	**833,544**
Total liabilities and net assets	**3,745,278**	**3,678,270**

Non-Consolidated Statements of Income

(Yen in millions)

Items	Three months ended June 30, 2020	Three months ended June 30, 2021
Ordinary income:	**354,522**	**366,863**
Underwriting income:	**335,174**	**340,286**
Net premiums written	312,310	323,454
Deposit premiums from policyholders	6,008	3,808
Investment income on deposit premiums from policyholders	3,676	3,280
Reversal of outstanding claims	13,100	9,202
Investment income:	**17,587**	**25,068**
Interest and dividends income	17,681	17,934
Investment gains on money trusts	0	0
Gains on sales of securities	3,415	7,633
Transfer of investment income on deposit premiums from policyholders	(3,676)	(3,280)
Other ordinary income	**1,761**	**1,508**
Ordinary expenses:	**310,382**	**327,039**
Underwriting expenses:	**260,746**	**274,709**
Net claims paid	159,907	169,307
Loss adjustment expenses	17,714	19,760
Commissions and collection expenses	65,494	69,926
Maturity refunds to policyholders	14,740	12,536
Provision for underwriting reserves	2,360	2,884
Investment expenses:	**2,076**	**3,044**
Losses on sales of securities	76	164
Impairment losses on securities	766	2,739
Operating expenses and general and administrative expenses	**47,038**	**48,713**
Other ordinary expenses:	**521**	**571**
Interest expense	196	196
Ordinary profit	**44,140**	**39,824**
Extraordinary income	**20**	**8**
Extraordinary losses	**3,524**	**2,896**
Income before income taxes	**40,636**	**36,936**
Income taxes	**9,657**	**9,847**
Net income	**30,978**	**27,089**

Non-Consolidated Solvency Margin Ratio

(Yen in millions)

	March 31, 2021	June 30, 2021
(A) Total amount of solvency margin	1,438,465	1,464,312
Total net assets	341,763	368,853
Reserve for price fluctuation	31,896	32,343
Contingency reserve	992	1,013
Catastrophe reserve	331,141	339,827
General bad debt reserve	252	255
Net unrealized gains/(losses) on investments in securities and net deferred gains/(losses) on hedges (prior to tax effect deductions)	600,213	579,841
Net unrealized gains/(losses) on land	35,864	36,226
Excess of policyholders' contract deposits (a)	-	-
Subordinated debts, etc. (b)	54,400	54,400
Amount excluded from the margin, out of (a) and (b)	-	-
Deductions	4,579	5,394
Others	46,521	56,945
(B) Total amount of risks $\sqrt{(R_1+R_2)^2+(R_3+R_4)^2}+R_5+R_6$	363,749	366,016
General insurance risk (R_1)	117,505	118,301
Insurance risk of third sector insurance contracts (R_2)	-	-
Assumed interest rate risk (R_3)	6,083	5,945
Asset management risk (R_4)	251,845	246,952
Business administration risk (R_5)	8,936	8,980
Catastrophe risk (R_6)	71,379	77,835
(C) Solvency margin ratio [(A) / {(B) x 1/2}] x 100	790.9 %	800.1 %

(Note) The non-consolidated solvency margin ratio for June 30, 2021 is calculated by partially applying the simplified method where components are calculated based on the data used for March 31, 2021.

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

Non-Consolidated Balance Sheets

(Yen in millions)

Items	March 31, 2021	June 30, 2021
(Assets)		
Cash, deposits and savings	**12,842**	**15,767**
Investments in securities	**38,314**	**36,034**
Tangible fixed assets	**876**	**835**
Intangible fixed assets	**4,650**	**4,393**
Other assets	**5,171**	**4,702**
Bad debt reserve	**(4)**	**(4)**
Total assets	**61,850**	**61,730**
(Liabilities)		
Policy liabilities:	**43,980**	**43,850**
Outstanding claims	23,068	22,980
Underwriting reserves	20,912	20,870
Other liabilities:	**2,106**	**1,416**
Income taxes payable	390	138
Asset retirement obligations	197	197
Other liabilities	1,518	1,080
Reserve for pension and retirement benefits	**303**	**319**
Accrued bonuses for employees	**299**	**-**
Reserves under the special laws:	**86**	**88**
Reserve for price fluctuation	86	88
Deferred tax liabilities	**85**	**93**
Total liabilities	**46,862**	**45,769**
(Net assets)		
Common stock	**39,106**	**39,106**
Capital surplus	**9,006**	**9,006**
Retained earnings	**(33,104)**	**(32,171)**
Total shareholders' equity	**15,007**	**15,940**
Net unrealized gains/(losses) on investments in securities	**(18)**	**20**
Total valuation and translation adjustments	**(18)**	**20**
Total net assets	**14,988**	**15,961**
Total liabilities and net assets	**61,850**	**61,730**

Non-Consolidated Statements of Income

(Yen in millions)

Items	Three months ended June 30, 2020	Three months ended June 30, 2021
Ordinary income:	**9,948**	**9,106**
Underwriting income:	**9,938**	**9,096**
Net premiums written	9,233	8,961
Investment income on deposit premiums from policyholders	5	4
Reversal of outstanding claims	698	87
Reversal of underwriting reserves	-	41
Investment income:	**4**	**5**
Interest and dividends income	10	10
Transfer of investment income on deposit premiums from policyholders	(5)	(4)
Other ordinary income	**5**	**5**
Ordinary expenses:	**8,565**	**8,077**
Underwriting expenses:	**5,735**	**5,471**
Net claims paid	4,549	4,743
Loss adjustment expenses	650	639
Commissions and collection expenses	84	89
Provision for outstanding claims	450	-
Investment expenses	**-**	**-**
Operating expenses and general and administrative expenses	**2,828**	**2,604**
Other ordinary expenses	**0**	**0**
Ordinary profit	**1,383**	**1,029**
Extraordinary income	**-**	**-**
Extraordinary losses	**1**	**1**
Income before income taxes	**1,381**	**1,027**
Income taxes	**3**	**94**
Net income	**1,378**	**933**

Non-Consolidated Solvency Margin Ratio

(Yen in millions)

	March 31, 2021	June 30, 2021
(A) Total amount of solvency margin	16,291	17,245
Total net assets	15,007	15,940
Reserve for price fluctuation	86	88
Contingency reserve	0	0
Catastrophe reserve	1,214	1,188
General bad debt reserve	1	1
Net unrealized gains/(losses) on investments in securities and net deferred gains/(losses) on hedges (prior to tax effect deductions)	(18)	25
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 $\sqrt{(R_1 + R_2)^2 + (R_3 + R_4)^2} + R_5 + R_6$	5,468	5,464
General insurance risk (R_1)	4,879	4,879
Insurance risk of third sector insurance contracts (R_2)	-	-
Assumed interest rate risk (R_3)	0	0
Asset management risk (R_4)	1,009	993
Business administration risk (R_5)	185	185
Catastrophe risk (R_6)	300	300
(C) Solvency margin ratio [(A) / {(B) x 1/2}] x 100	595.8 %	631.1 %

(Note) The non-consolidated solvency margin ratio for June 30, 2021 is calculated by partially applying the simplified method where components are calculated based on the data used for March 31, 2021.

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

Non-Consolidated Balance Sheets

(Yen in millions)

Items	March 31, 2021	June 30, 2021
(Assets)		
Cash, deposits and savings	**74,851**	**70,259**
Investments in securities	**4,313,867**	**4,365,849**
Loans	**58,858**	**58,501**
Tangible fixed assets	**8,010**	**7,997**
Intangible fixed assets	**32,164**	**32,251**
Due from agencies	**1,518**	**1,471**
Reinsurance accounts receivable	**994**	**81**
Other assets	**43,538**	**44,122**
Deferred tax assets	**676**	**-**
Bad debt reserve	**(89)**	**(88)**
Total assets	**4,534,390**	**4,580,446**
(Liabilities)		
Policy liabilities:	**4,007,521**	**4,054,475**
Outstanding claims	33,569	32,864
Underwriting reserves	3,964,029	4,011,760
Reserve for dividends to policyholders	9,923	9,851
Due to agencies	**3,063**	**2,884**
Reinsurance accounts payable	**302**	**263**
Other liabilities:	**251,978**	**245,106**
Payables under repurchase agreements	110,343	110,373
Payables under securities lending transactions	126,101	125,122
Income taxes payable	3,538	229
Lease obligations	333	305
Asset retirement obligations	429	412
Other liabilities	11,232	8,663
Reserve for pension and retirement benefits	**4,234**	**4,394**
Reserve for retirement benefits for officers	**7**	**6**
Reserves under the special laws:	**9,853**	**10,141**
Reserve for price fluctuation	9,853	10,141
Deferred tax liabilities	**-**	**587**
Total liabilities	**4,276,962**	**4,317,860**
(Net assets)		
Common stock	**85,500**	**85,500**
Capital surplus	**93,688**	**93,688**
Retained earnings	**25,115**	**27,022**
Total shareholders' equity	**204,303**	**206,210**
Net unrealized gains/(losses) on investments in securities	**53,124**	**56,374**
Total valuation and translation adjustments	**53,124**	**56,374**
Total net assets	**257,428**	**262,585**
Total liabilities and net assets	**4,534,390**	**4,580,446**

Non-Consolidated Statements of Income

(Yen in millions)

Items	Three months ended June 30, 2020	Three months ended June 30, 2021
Ordinary income:	**135,418**	**134,636**
Insurance premiums and others:	**120,514**	**119,419**
Insurance premiums	120,455	119,358
Investment income:	**14,196**	**13,885**
Interest and dividends income	12,569	12,305
Gains on sales of securities	1,351	1,576
Gains on derivative transactions	238	-
Other ordinary income:	**708**	**1,331**
Reversal of outstanding claims	2	704
Ordinary expenses:	**127,597**	**124,369**
Insurance claims and others:	**53,733**	**53,255**
Insurance claims	10,352	10,968
Annuity payments	4,711	4,836
Benefits	7,896	7,976
Surrender benefits	29,299	28,071
Other refunds	1,041	947
Provision for underwriting reserves and others:	**49,946**	**47,731**
Provision for underwriting reserves	49,946	47,731
Provision for interest portion of reserve for dividends to policyholders	0	0
Investment expenses:	**21**	**65**
Losses on sales of securities	15	-
Losses on derivative transactions	-	64
Operating expenses	**19,337**	**18,419**
Other ordinary expenses	**4,559**	**4,898**
Ordinary profit	**7,821**	**10,267**
Extraordinary income	**0**	**0**
Extraordinary losses	**253**	**309**
Provision for reserve for dividends to policyholders	**937**	**1,023**
Income before income taxes	**6,630**	**8,934**
Income taxes	**1,770**	**2,416**
Net income	**4,860**	**6,517**

Business Results

Amount of Policies in Force and New Policies

(1) Policies in force (Yen in 100 millions)

	March 31, 2021		June 30, 2021	
	Number of policies (in thousands)	Amount	Number of policies (in thousands)	Amount
Individual insurance	3,815	236,240	3,832	235,739
Individual annuities	166	6,428	164	6,373
Group insurance	-	93,562	-	95,088
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)

	Three months ended June 30, 2020				Three months ended June 30, 2021			
	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	50	3,325	3,325	-	61	4,721	4,721	-
Individual annuities	0	10	10	-	0	11	11	-
Group insurance	-	213	213	-	-	160	160	-
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, 2021	June 30, 2021
Individual insurance	4,069	4,069
Individual annuities	409	395
Total:	4,479	4,464
Medical coverage, living benefits, etc.	1,460	1,476

(2) New policies (Yen in 100 millions)

	Three months ended June 30, 2020	Three months ended June 30, 2021
Individual insurance	46	63
Individual annuities	0	0
Total:	47	63
Medical coverage, living benefits, etc.	28	34

(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)

	Three months ended June 30, 2020	Three months ended June 30, 2021	Change
Fundamental revenues:	133,823	133,057	(766)
Insurance premiums and others	120,514	119,419	(1,094)
Fundamental expenses	127,480	124,045	(3,435)
Fundamental profit	6,342	9,011	2,669
Capital gains/(losses)	1,571	1,516	(54)
Non-recurring gains/(losses)	(91)	(260)	(168)
Ordinary profit	7,821	10,267	2,445
Extraordinary income	0	0	(0)
Extraordinary losses	253	309	55
Provision for reserve for dividends to policyholders	937	1,023	86
Income taxes	1,770	2,416	646
Net income	4,860	6,517	1,657

Non-Consolidated Solvency Margin Ratio

(Yen in millions)

	March 31, 2021	June 30, 2021
(A) Total amount of solvency margin	490,784	503,022
Total capital	199,693	205,196
Reserve for price fluctuation	9,853	10,141
Contingency reserve	39,775	40,036
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%	66,405	70,468
Net unrealized gains/(losses) on land x 85%	-	-
Excess of continued Zillmerized reserve (a)	167,964	167,769
Subordinated debts, etc. (b)	-	-
Amount excluded from the margin, out of (a) and (b)	-	-
Brought in capital	-	-
Deductions	-	-
Others	7,087	9,407
(B) Total amount of risks $\sqrt{(R_1+R_8)^2+(R_2+R_3+R_7)^2}+R_4$	68,186	68,840
Insurance risk (R_1)	18,468	18,511
Insurance risk of third sector insurance contracts (R_8)	17,227	17,445
Assumed interest rate risk (R_2)	3,242	3,247
Minimum guarantee risk (R_7)	-	-
Asset management risk (R_3)	52,692	53,276
Business administration risk (R_4)	1,832	1,849
(C) Solvency margin ratio [(A) / {(B) x 1/2}] x 100	1,439.5 %	1,461.4 %

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

Non-Consolidated Balance Sheets

(Yen in millions)

Items	March 31, 2021	June 30, 2021
(Assets)		
Cash, deposits and savings	**807,492**	**759,364**
Monetary claims bought	**100,993**	**92,995**
Money trusts	**1,710,444**	**1,753,109**
Investments in securities	**4,039,282**	**3,971,699**
Loans	**264,182**	**260,863**
Tangible fixed assets	**901**	**846**
Intangible fixed assets	**13,510**	**13,075**
Reinsurance accounts receivable	**5,497**	**4,665**
Other assets	**23,735**	**20,911**
Deferred tax assets	**58,712**	**53,838**
Bad debt reserve	**-**	**(9)**
Total assets	**7,024,753**	**6,931,359**
(Liabilities)		
Policy liabilities:	**6,482,031**	**6,415,243**
Outstanding claims	24,209	18,684
Underwriting reserves	6,457,822	6,396,559
Due to agencies	**4,808**	**2,717**
Reinsurance accounts payable	**4,238**	**5,353**
Other liabilities:	**93,090**	**61,616**
Income taxes payable	30,405	145
Lease obligations	725	532
Asset retirement obligations	179	180
Other liabilities	61,778	60,758
Reserves under the special laws:	**180,000**	**180,000**
Reserve for price fluctuation	180,000	180,000
Total liabilities	**6,764,169**	**6,664,930**
(Net assets)		
Common stock	**41,060**	**41,060**
Capital surplus	**24,735**	**24,735**
Retained earnings	**154,113**	**147,424**
Total shareholders' equity	**219,908**	**213,219**
Net unrealized gains/(losses) on investments in securities	**36,961**	**49,563**
Net deferred gains/(losses) on hedges	**3,713**	**3,645**
Total valuation and translation adjustments	**40,675**	**53,209**
Total net assets	**260,584**	**266,428**
Total liabilities and net assets	**7,024,753**	**6,931,359**

Non-Consolidated Statements of Income

(Yen in millions)

Items	Three months ended June 30, 2020	Three months ended June 30, 2021
Ordinary income:	**527,389**	**363,063**
Insurance premiums and others:	**108,955**	**220,514**
Insurance premiums	78,569	196,986
Investment income:	**415,715**	**74,772**
Interest and dividends income	22,636	16,615
Investment gains on money trusts	94,009	14,985
Investment gains on trading securities	-	14
Gains on sales of securities	12,951	4,901
Investment gains on separate accounts	102,703	37,915
Other ordinary income:	**2,718**	**67,776**
Reversal of outstanding claims	1,750	5,525
Reversal of underwriting reserves	-	61,263
Ordinary expenses:	**518,732**	**342,079**
Insurance claims and others:	**199,136**	**313,579**
Insurance claims	23,889	31,359
Annuity payments	18,839	18,893
Benefits	34,714	50,842
Surrender benefits	82,898	168,795
Other refunds	653	778
Provision for underwriting reserves and others:	**309,796**	**-**
Provision for underwriting reserves	309,796	-
Investment expenses:	**293**	**14,952**
Interest expense	10	9
Losses on sales of securities	281	196
Operating expenses	**7,631**	**11,053**
Other ordinary expenses	**1,874**	**2,494**
Ordinary profit	**8,657**	**20,984**
Extraordinary income	**-**	**-**
Extraordinary losses	**955**	**-**
Income before income taxes	**7,701**	**20,984**
Income taxes	**2,129**	**5,896**
Net income	**5,572**	**15,088**

Business Results

Amount of Policies in Force and New Policies

(1) Policies in force (Yen in 100 millions)

	March 31, 2021		June 30, 2021	
	Number of policies (in thousands)	Amount	Number of policies (in thousands)	Amount
Individual insurance	663	42,277	658	42,057
Individual annuities	377	23,680	369	23,222
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)

	Three months ended June 30, 2020				Three months ended June 30, 2021			
	Number of policies (in thousands)	Amount			Number of policies (in thousands)	Amount		
			New policies	Net increase by conversion			New policies	Net increase by conversion
Individual insurance	7	632	632	-	23	1,785	1,785	-
Individual annuities	2	159	159	-	2	194	194	-
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, 2021	June 30, 2021
Individual insurance	3,661	3,704
Individual annuities	2,674	2,613
Total:	6,335	6,317
Medical coverage, living benefits, etc.	4	4

(2) New policies (Yen in 100 millions)

	Three months ended June 30, 2020	Three months ended June 30, 2021
Individual insurance	66	162
Individual annuities	33	31
Total:	99	193
Medical coverage, living benefits, etc.	-	0

(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)

	Three months ended June 30, 2020	Three months ended June 30, 2021	Change
Fundamental revenues:	520,557	351,830	(168,727)
Insurance premiums and others	108,955	220,514	111,559
Fundamental expenses	514,995	349,035	(165,959)
Fundamental profit	5,562	2,794	(2,767)
Capital gains/(losses)	6,550	17,654	11,103
Non-recurring gains/(losses)	(3,455)	535	3,990
Ordinary profit	8,657	20,984	12,327
Extraordinary income	-	-	-
Extraordinary losses	955	-	(955)
Provision for reserve for dividends to policyholders	-	-	-
Income taxes	2,129	5,896	3,767
Net income	5,572	15,088	9,516

Non-Consolidated Solvency Margin Ratio

(Yen in millions)

	March 31, 2021	June 30, 2021
(A) Total amount of solvency margin	711,185	742,289
Total capital	198,130	213,219
Reserve for price fluctuation	180,000	180,000
Contingency reserve	81,204	80,659
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%	44,019	60,599
Net unrealized gains/(losses) on land x 85%	-	-
Excess of continued Zillmerized reserve (a)	160,823	154,935
Subordinated debts, etc. (b)	-	-
Amount excluded from the margin, out of (a) and (b)	-	-
Brought in capital	-	-
Deductions	-	-
Others	47,007	52,875
(B) Total amount of risks $\sqrt{(R_1+R_8)^2+(R_2+R_3+R_7)^2}+R_4$	134,845	132,023
Insurance risk (R_1)	1,140	1,158
Insurance risk of third sector insurance contracts (R_8)	2	2
Assumed interest rate risk (R_2)	36,904	35,441
Minimum guarantee risk (R_7)	1,328	1,340
Asset management risk (R_3)	93,941	92,625
Business administration risk (R_4)	2,666	2,611
(C) Solvency margin ratio [(A) / {(B) x 1/2}] x 100	1,054.8 %	1,124.4 %