

[Translation]

## SUMMARY OF FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED JUNE 30, 2014

August 8, 2014

Name of Listed Company: **MS&AD Insurance Group Holdings, Inc.**  
 Stock Exchange Listing: Tokyo Stock Exchange and Nagoya Stock Exchange  
 Securities Code Number: 8725  
 URL: <http://www.ms-ad-hd.com>  
 Representative: Yasuyoshi Karasawa, President  
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Scheduled date to file the quarterly financial report: August 11, 2014  
 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, 2014 (April 1, 2014 to June 30, 2014)

(1) Consolidated business performance (Yen in millions)

|                                  | Ordinary income |         | Ordinary profit/(loss) |          | Net income/(loss) |          |
|----------------------------------|-----------------|---------|------------------------|----------|-------------------|----------|
| Three months ended June 30, 2014 | 1,209,956       | 15.8 %  | 92,302                 | (21.8) % | 64,755            | (22.1) % |
| Three months ended June 30, 2013 | 1,045,065       | (6.5) % | 118,070                | 515.7 %  | 83,148            | 638.2 %  |

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

(Note) Comprehensive income/(loss) For the three months ended June 30, 2014: ¥ 167,184 million 4.6 %  
 For the three months ended June 30, 2013: ¥ 159,841 million - %

(Yen)

|                                  | Net income/(loss) per share<br>- Basic | Net income/(loss) per share<br>- Diluted |
|----------------------------------|----------------------------------------|------------------------------------------|
| Three months ended June 30, 2014 | 104.54                                 | -                                        |
| Three months ended June 30, 2013 | 133.71                                 | -                                        |

(2) Consolidated financial conditions (Yen in millions)

|                | Total assets | Net assets | Ratio of net assets less minority interests to total assets |
|----------------|--------------|------------|-------------------------------------------------------------|
| June 30, 2014  | 17,256,826   | 2,422,256  | 13.9 %                                                      |
| March 31, 2014 | 16,878,148   | 2,285,832  | 13.4 %                                                      |

(Reference) Net assets less minority interests As of June 30, 2014: ¥ 2,396,119 million  
 As of March 31, 2014: ¥ 2,260,324 million

2. Dividends (Yen)

|                                       | Dividends per share |             |             |             |              |
|---------------------------------------|---------------------|-------------|-------------|-------------|--------------|
|                                       | 1st quarter         | 2nd quarter | 3rd quarter | 4th quarter | Annual total |
| Year ended March 31, 2014             | -                   | 28.00       | -           | 28.00       | 56.00        |
| Year ending March 31, 2015            | -                   |             |             |             |              |
| Year ending March 31, 2015 (Forecast) |                     | 29.00       | -           | 29.00       | 58.00        |

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

### 3. Consolidated Earnings Forecasts for the Year Ending March 31, 2015 (April 1, 2014 to March 31, 2015)

(Yen in millions)

|                            | Ordinary profit |          | Net income |       | Net income per share (Yen) |
|----------------------------|-----------------|----------|------------|-------|----------------------------|
| Year ending March 31, 2015 | 150,000         | (21.2) % | 100,000    | 7.0 % | 162.12                     |

Percent figures represent changes from the preceding year.

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

**\* Notes**

(1) Changes in significant subsidiaries during 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 "(1) Adoption of Special Accounting Methods Allowed to be Applied to Quarterly Consolidated Financial Statements" on page 2 of the Appendix.

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

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

2. Changes in accounting policies other than above: Yes

3. Changes in accounting estimates: None

4. Restatements: None

(Note) For details, please refer to "(2) Changes in Accounting Policies and Accounting Estimates and Restatements" on page 2 of the Appendix.

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

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

As of June 30, 2014: 633,291,754 shares

As of March 31, 2014: 633,291,754 shares

2. Number of shares of treasury stock

As of June 30, 2014: 17,349,343 shares

As of March 31, 2014: 13,383,033 shares

3. Average number of shares of outstanding stock

For the three months ended June 30, 2014: 619,402,652 shares

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

**\* Disclosure regarding the execution of the quarterly review process**

This report is outside the scope of the external auditor's quarterly review process required by "Financial Instruments and Exchange Act" but the review process for the quarterly financial statements under "Financial Instruments and Exchange Act" has been completed as of the disclosure date of the report.

**\* Notes to the earnings forecasts**

Any earnings forecasts in this report have been made based on the information available to the Company as of the disclosure date of the report and certain assumptions, and therefore do not guarantee future performance. Actual results may differ substantially from these forecasts depending on various factors. 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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## 1. Qualitative Information on Business Results

### (1) Explanation for Business Performance

During the three months ended June 30, 2014, the Japanese economy was on a gradual recovery trend with an improvement in corporate earnings and an increase in capital expenditures, while seeing slowdowns in some areas including consumer spending which had a reversal from the rush of demand ahead of the consumption tax hike.

In this business environment, the business performance of the Group for the three months ended June 30, 2014 was as follows.

Underwriting income was ¥1,060.8 billion (of which net premiums written were ¥733.6 billion), investment income was ¥144.6 billion and other ordinary income was ¥4.4 billion, resulting in total ordinary income of ¥1,209.9 billion. Ordinary expenses amounted to ¥1,117.6 billion. This breaks down into underwriting expenses of ¥963.6 billion (of which net claims paid were ¥425.3 billion), investment expenses of ¥8.8 billion, operating expenses and general and administrative expenses of ¥142.5 billion and other ordinary expenses of ¥2.5 billion.

As a result, the Company posted an ordinary profit of ¥92.3 billion, marking a decrease of ¥25.7 billion from the same period last year. After factoring in extraordinary income and losses, income taxes and other factors, net income of ¥64.7 billion was reported with a decrease of ¥18.3 billion year on year.

### (2) Explanation for Financial Conditions

As of June 30, 2014, total assets stood at ¥17,256.8 billion with an increase of ¥378.6 billion from March 31, 2014, and net assets stood at ¥2,422.2 billion with an increase of ¥136.4 billion from March 31, 2014 mainly due to an increase in net unrealized gains on investments in securities.

### (3) Explanation for Future Forecast Information including Consolidated Earnings Forecasts

The Company keeps the forecasts of ordinary profit of ¥150.0 billion and net income of ¥100.0 billion for the year ending March 31, 2015 unchanged from the forecasts announced on May 20, 2014.

## 2. Notes to Summary of Financial Statements

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

(Calculation of income tax expenses)

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

### (2) Changes in Accounting Policies and Accounting Estimates and Restatements

(Changes in accounting policies)

As the Accounting Standard for Business Combination (ASBJ Statement No.21 issued on September 13, 2013, the "Business Combination Accounting Standard"), the Accounting Standard for Consolidated Financial Statements (ASBJ Statement No.22 on September 13, 2013, the "Consolidation Accounting Standard") and the Accounting Standard for Business Divestitures (ASBJ Statement No.7 on September 13, 2013, the "Business Divestitures Accounting Standard") etc. became applicable from the beginning of the year commencing on or after April 1, 2014, the Company has adopted these accounting standards (however, except for the provisions stated in the Paragraph 39 of the "Consolidation Accounting Standard") since the first quarter of the current consolidated fiscal year, and has implemented a new accounting method where differences due to changes in the Company's ownership interests in subsidiaries continuously under control are accounted for as capital surplus and where acquisition-related costs are accounted for as expenses during the fiscal year when the costs incurred. Regarding business combinations occurring at or after the beginning of the first quarter of the current consolidation fiscal year, the Company has also implemented a new accounting method where the reviewed allocation of acquisition costs due to the finalization of the provisional accounting treatment are reflected in the quarterly consolidated financial statements for the accounting period in which the business combination occurs.

In accordance with the transitional accounting treatments prescribed in Paragraph 58-2 (3) of the "Business Combination Accounting Standard", Paragraph 44-5 (3) of the "Consolidation Accounting Standard" and Paragraph 57-4 (3) of the "Business Divestitures Accounting Standard", the cumulative effect up to the beginning of the first quarter of the current consolidated fiscal year by applying retroactively those new accounting standards to all the past years was added, or subtracted from, capital surplus and retained earnings.

The effects of those accounting standards on the beginning balance of the first quarter of the current consolidated fiscal year were to decrease goodwill by ¥3,396 million and capital surplus by ¥7,403 million and to increase retained earnings by ¥4,006 million, resulting in an increase in both ordinary profit and income before income taxes and minority interests for the three months ended June 30, 2014 by ¥60 million.

### 3. Consolidated Financial Statements

#### (1) Consolidated Balance Sheets

(Yen in millions)

|                                                             | March 31, 2014    | June 30, 2014     |
|-------------------------------------------------------------|-------------------|-------------------|
| <b>Assets</b>                                               |                   |                   |
| Cash, deposits and savings                                  | 563,370           | 471,417           |
| Call loans                                                  | 78,649            | 101,056           |
| Receivables under resale agreements                         | 23,997            | 72,491            |
| Receivables under securities borrowing transactions         | 228,706           | 266,476           |
| Monetary claims bought                                      | 73,337            | 96,331            |
| Money trusts                                                | 693,628           | 695,599           |
| Investments in securities                                   | 12,710,203        | 13,061,280        |
| Loans                                                       | 807,300           | 801,226           |
| Tangible fixed assets                                       | 484,272           | 479,067           |
| Intangible fixed assets                                     | 179,609           | 170,595           |
| Other assets                                                | 844,543           | 863,856           |
| Assets for retirement benefits                              | 49,123            | 48,622            |
| Deferred tax assets                                         | 108,550           | 93,493            |
| Customers' liabilities under acceptances and guarantees     | 53,500            | 54,500            |
| Bad debt reserve                                            | (20,643)          | (19,187)          |
| <b>Total assets</b>                                         | <b>16,878,148</b> | <b>17,256,826</b> |
| <b>Liabilities</b>                                          |                   |                   |
| Policy liabilities:                                         | 13,111,219        | 13,278,632        |
| Outstanding claims                                          | 1,467,103         | 1,432,929         |
| Underwriting reserves                                       | 11,644,116        | 11,845,703        |
| Bonds issued                                                | 226,185           | 226,186           |
| Other liabilities                                           | 837,238           | 898,591           |
| Liabilities for pension and retirement benefits             | 157,277           | 159,375           |
| Reserve for retirement benefits for officers                | 1,121             | 1,058             |
| Accrued bonuses for employees                               | 21,313            | 1,817             |
| Reserves under the special laws:                            | 67,054            | 68,611            |
| Reserve for price fluctuation                               | 67,054            | 68,611            |
| Deferred tax liabilities                                    | 117,404           | 145,795           |
| Acceptances and guarantees                                  | 53,500            | 54,500            |
| <b>Total liabilities</b>                                    | <b>14,592,316</b> | <b>14,834,569</b> |
| <b>Net assets</b>                                           |                   |                   |
| Shareholders' equity:                                       |                   |                   |
| Common stock                                                | 100,000           | 100,000           |
| Capital surplus                                             | 682,752           | 675,349           |
| Retained earnings                                           | 385,295           | 436,699           |
| Treasury stock                                              | (29,903)          | (39,909)          |
| <b>Total shareholders' equity</b>                           | <b>1,138,144</b>  | <b>1,172,139</b>  |
| Accumulated other comprehensive income/(loss):              |                   |                   |
| Net unrealized gains/(losses) on investments in securities  | 1,053,222         | 1,159,163         |
| Net deferred gains/(losses) on hedges                       | 23,430            | 26,824            |
| Foreign currency translation adjustments                    | 35,261            | 27,637            |
| Accumulated actuarial gains/(losses) on retirement benefits | 10,266            | 10,354            |
| <b>Total accumulated other comprehensive income/(loss)</b>  | <b>1,122,180</b>  | <b>1,223,980</b>  |
| Minority interests                                          | 25,507            | 26,137            |
| <b>Total net assets</b>                                     | <b>2,285,832</b>  | <b>2,422,256</b>  |
| <b>Total liabilities and net assets</b>                     | <b>16,878,148</b> | <b>17,256,826</b> |

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

(Yen in millions)

|                                                                      | Three months ended<br>June 30, 2013 | Three months ended<br>June 30, 2014 |
|----------------------------------------------------------------------|-------------------------------------|-------------------------------------|
| Ordinary income:                                                     | 1,045,065                           | 1,209,956                           |
| Underwriting income:                                                 | 855,452                             | 1,060,840                           |
| Net premiums written                                                 | 690,709                             | 733,669                             |
| Deposit premiums from policyholders                                  | 36,375                              | 38,176                              |
| Investment income on deposit premiums from policyholders             | 13,297                              | 12,675                              |
| Life insurance premiums                                              | 33,539                              | 245,422                             |
| Reversal of outstanding claims                                       | 20,127                              | 29,735                              |
| Reversal of underwriting reserves                                    | 59,332                              | -                                   |
| Investment income:                                                   | 187,418                             | 144,692                             |
| Interest and dividends income                                        | 66,079                              | 72,716                              |
| Investment gains on money trusts                                     | 4,675                               | 16,228                              |
| Gains on sales of securities                                         | 23,416                              | 8,875                               |
| Gains on derivative transactions                                     | 2,998                               | 886                                 |
| Investment gains on separate accounts                                | 102,053                             | 55,505                              |
| Transfer of investment income on deposit premiums from policyholders | (13,297)                            | (12,675)                            |
| Other ordinary income                                                | 2,193                               | 4,422                               |
| Ordinary expenses:                                                   | 926,995                             | 1,117,653                           |
| Underwriting expenses:                                               | 747,860                             | 963,658                             |
| Net claims paid                                                      | 416,358                             | 425,387                             |
| Loss adjustment expenses                                             | 33,250                              | 37,670                              |
| Commissions and collection expenses                                  | 134,912                             | 150,056                             |
| Maturity refunds to policyholders                                    | 70,434                              | 65,456                              |
| Life insurance claims                                                | 89,163                              | 76,490                              |
| Provision for underwriting reserves                                  | -                                   | 205,565                             |
| Investment expenses:                                                 | 46,059                              | 8,889                               |
| Investment losses on money trusts                                    | 40,442                              | 1,123                               |
| Losses on sales of securities                                        | 959                                 | 2,208                               |
| Impairment losses on securities                                      | 2,880                               | 3,830                               |
| Operating expenses and general and administrative expenses           | 129,051                             | 142,506                             |
| Other ordinary expenses:                                             | 4,023                               | 2,599                               |
| Interest expense                                                     | 2,056                               | 1,801                               |
| Ordinary profit/(loss)                                               | 118,070                             | 92,302                              |
| Extraordinary income:                                                | 70                                  | 2,720                               |
| Gains on sales of fixed assets                                       | 70                                  | 2,720                               |
| Extraordinary losses:                                                | 1,782                               | 4,117                               |
| Losses on sales of fixed assets                                      | 130                                 | 1,064                               |
| Impairment losses on fixed assets                                    | 277                                 | 1,496                               |
| Provision for reserves under the special law:                        | 1,374                               | 1,556                               |
| Provision for reserve for price fluctuation                          | 1,374                               | 1,556                               |
| Income/(loss) before income taxes and minority interests             | 116,358                             | 90,905                              |
| Income taxes                                                         | 32,428                              | 25,183                              |
| Income/(loss) before minority interests                              | 83,930                              | 65,722                              |
| Minority interests                                                   | 781                                 | 966                                 |
| Net income/(loss)                                                    | 83,148                              | 64,755                              |

**(Consolidated Statements of Comprehensive Income)**

(Yen in millions)

|                                                                         | Three months ended<br>June 30, 2013 | Three months ended<br>June 30, 2014 |
|-------------------------------------------------------------------------|-------------------------------------|-------------------------------------|
| Income/(loss) before minority interests                                 | 83,930                              | 65,722                              |
| Other comprehensive income/(loss):                                      |                                     |                                     |
| Net unrealized gains/(losses) on investments in securities              | 54,314                              | 104,864                             |
| Net deferred gains/(losses) on hedges                                   | (7,455)                             | 3,393                               |
| Foreign currency translation adjustments                                | 24,888                              | (9,174)                             |
| Accumulated actuarial gains/(losses) on retirement benefits             | -                                   | 87                                  |
| Share of other comprehensive income/(loss) of equity method investments | 4,163                               | 2,290                               |
| Total other comprehensive income/(loss)                                 | 75,911                              | 101,462                             |
| Total comprehensive income/(loss)                                       | 159,841                             | 167,184                             |
| Allocation:                                                             |                                     |                                     |
| Comprehensive income/(loss) attributable to shareholders of the parent  | 157,505                             | 166,555                             |
| Comprehensive income/(loss) attributable to minority interests          | 2,336                               | 629                                 |

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

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

Not applicable.

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

Not applicable.

## Explanatory Material for Business Results

### 1. Summary of Consolidated Business Results

#### (1) Consolidated Business Performance

(Yen in 100 millions)

|                                                                   | Items | Three months ended<br>June 30, 2013 | Three months ended<br>June 30, 2014 | Change       | Change ratio<br>(%) |
|-------------------------------------------------------------------|-------|-------------------------------------|-------------------------------------|--------------|---------------------|
| <b>Ordinary income and expenses:</b>                              |       |                                     |                                     |              |                     |
| <b>Underwriting income:</b>                                       | 1     | <b>8,554</b>                        | <b>10,609</b>                       | <b>2,055</b> | <b>24.0</b>         |
| Net premiums written                                              | 2     | 6,904                               | 7,338                               | 433          | 6.3                 |
| Deposit premiums from policyholders                               | 3     | 363                                 | 381                                 | 18           | 5.0                 |
| Life insurance premiums                                           | 4     | 335                                 | 2,454                               | 2,118        | 631.7               |
| Reversal of outstanding claims                                    | 5     | 201                                 | 297                                 | 96           | 47.7                |
| Reversal of underwriting reserves                                 | 6     | 596                                 | -                                   | (596)        | (100.0)             |
| <b>Underwriting expenses:</b>                                     | 7     | <b>7,478</b>                        | <b>9,638</b>                        | <b>2,159</b> | <b>28.9</b>         |
| Net claims paid                                                   | 8     | 4,163                               | 4,253                               | 90           | 2.2                 |
| Loss adjustment expenses                                          | 9     | 332                                 | 376                                 | 44           | 13.3                |
| Commissions and collection expenses                               | 10    | 1,349                               | 1,500                               | 151          | 11.2                |
| Maturity refunds to policyholders                                 | 11    | 704                                 | 654                                 | (49)         | (7.1)               |
| Life insurance claims                                             | 12    | 891                                 | 764                                 | (126)        | (14.2)              |
| Provision for underwriting reserves                               | 13    | -                                   | 2,057                               | 2,057        | -                   |
| <b>Investment income:</b>                                         | 14    | <b>1,874</b>                        | <b>1,446</b>                        | <b>(427)</b> | <b>(22.8)</b>       |
| Interest and dividends income                                     | 15    | 660                                 | 727                                 | 66           | 10.0                |
| Investment gains on money trusts                                  | 16    | 46                                  | 162                                 | 115          | 247.1               |
| Gains on sales of securities                                      | 17    | 234                                 | 88                                  | (145)        | (62.1)              |
| Gains on derivative transactions                                  | 18    | 29                                  | 8                                   | (21)         | (70.4)              |
| Investment gains on separate accounts                             | 19    | 1,020                               | 555                                 | (465)        | (45.6)              |
| <b>Investment expenses:</b>                                       | 20    | <b>460</b>                          | <b>88</b>                           | <b>(371)</b> | <b>(80.7)</b>       |
| Investment losses on money trusts                                 | 21    | 404                                 | 11                                  | (393)        | (97.2)              |
| Losses on sales of securities                                     | 22    | 9                                   | 22                                  | 12           | 130.2               |
| Impairment losses on securities                                   | 23    | 28                                  | 38                                  | 9            | 33.0                |
| <b>Operating expenses and general and administrative expenses</b> | 24    | <b>1,290</b>                        | <b>1,425</b>                        | <b>134</b>   | <b>10.4</b>         |
| <b>Other ordinary income and expenses:</b>                        | 25    | <b>(18)</b>                         | <b>18</b>                           | <b>36</b>    | <b>-</b>            |
| Gains/(losses) on equity method investments                       | 26    | 3                                   | 6                                   | 2            | 62.9                |
| <b>Ordinary profit/(loss)</b>                                     | 27    | <b>1,180</b>                        | <b>923</b>                          | <b>(257)</b> | <b>(21.8)</b>       |
| <b>Extraordinary income and losses:</b>                           |       |                                     |                                     |              |                     |
| <b>Extraordinary income</b>                                       | 28    | <b>0</b>                            | <b>27</b>                           | <b>26</b>    | <b>3,735.1</b>      |
| <b>Extraordinary losses</b>                                       | 29    | <b>17</b>                           | <b>41</b>                           | <b>23</b>    | <b>131.0</b>        |
| <b>Extraordinary income/(losses)</b>                              | 30    | <b>(17)</b>                         | <b>(13)</b>                         | <b>3</b>     | <b>-</b>            |
| <b>Income/(loss) before income taxes and minority interests</b>   | 31    | <b>1,163</b>                        | <b>909</b>                          | <b>(254)</b> | <b>(21.9)</b>       |
| <b>Income taxes</b>                                               | 32    | <b>324</b>                          | <b>251</b>                          | <b>(72)</b>  | <b>(22.3)</b>       |
| <b>Income/(loss) before minority interests</b>                    | 33    | <b>839</b>                          | <b>657</b>                          | <b>(182)</b> | <b>(21.7)</b>       |
| <b>Minority interests</b>                                         | 34    | <b>7</b>                            | <b>9</b>                            | <b>1</b>     | <b>23.7</b>         |
| <b>Net income/(loss)</b>                                          | 35    | <b>831</b>                          | <b>647</b>                          | <b>(183)</b> | <b>(22.1)</b>       |

(Note) The figures in the above table are presented exclusive of Good Result Return premiums of Mitsui Sumitomo Insurance's proprietary automobile insurance product "ModoRich", which contains a special clause related to premium adjustment and refund at maturity.

## (2) Breakdown of Results by Company (Net Premiums Written, Ordinary Profit and Net Income)

(Yen in 100 millions)

|                                               | Items | Three months ended<br>June 30, 2013 | Three months ended<br>June 30, 2014 | Change | Change ratio<br>(%) |
|-----------------------------------------------|-------|-------------------------------------|-------------------------------------|--------|---------------------|
| Net premiums written                          | 1     | 6,904                               | 7,338                               | 433    | 6.3                 |
| Mitsui Sumitomo Insurance                     | 2     | 3,374                               | 3,551                               | 177    | 5.3                 |
| Aioi Nissay Dowa Insurance                    | 3     | 2,814                               | 2,898                               | 83     | 3.0                 |
| Mitsui Direct General Insurance               | 4     | 89                                  | 86                                  | (3)    | (3.6)               |
| Overseas insurance subsidiaries               | 5     | 617                                 | 789                                 | 172    | 28.0                |
| Ordinary profit/(loss)                        | 6     | 1,180                               | 923                                 | (257)  | (21.8)              |
| Mitsui Sumitomo Insurance                     | 7     | 666                                 | 350                                 | (316)  | (47.4)              |
| Aioi Nissay Dowa Insurance                    | 8     | 376                                 | 447                                 | 71     | 19.1                |
| Net income/(loss)                             | 9     | 831                                 | 647                                 | (183)  | (22.1)              |
| Mitsui Sumitomo Insurance                     | 10    | 488                                 | 244                                 | (243)  | (49.9)              |
| Aioi Nissay Dowa Insurance                    | 11    | 271                                 | 394                                 | 122    | 45.0                |
| Mitsui Direct General Insurance               | 12    | 8                                   | 8                                   | (0)    | (4.3)               |
| Mitsui Sumitomo Aioi Life Insurance           | 13    | 21                                  | 14                                  | (6)    | (32.2)              |
| Mitsui Sumitomo Primary Life Insurance        | 14    | 62                                  | 8                                   | (54)   | (86.1)              |
| Overseas insurance subsidiaries               | 15    | 94                                  | 82                                  | (12)   | (13.1)              |
| Others                                        | 16    | 5                                   | 8                                   | 2      | 53.7                |
| Consolidation adjustments and holding company | 17    | (121)                               | (113)                               | 8      | -                   |

(Notes) 1. The figures in the above table are presented exclusive of Good Result Return premiums of Mitsui Sumitomo Insurance's proprietary automobile insurance product "ModoRich", which contains a special clause related to premium adjustment and refund at maturity.

2. Items 10 to 16 represent the net income or loss on a non-consolidated basis with taking into account the Company's ownership interests in its subsidiaries.

## (3) Breakdown of Results of Overseas Insurance Subsidiaries by Region

(Yen in 100 millions)

|                      | Items | Three months ended<br>June 30, 2013 | Three months ended<br>June 30, 2014 | Change | Change ratio<br>(%) |
|----------------------|-------|-------------------------------------|-------------------------------------|--------|---------------------|
| Net premiums written | 1     | 617                                 | 789                                 | 172    | 28.0                |
| Asia                 | 2     | 288                                 | 367                                 | 79     | 27.4                |
| Europe               | 3     | 165                                 | 236                                 | 71     | 43.4                |
| Americas             | 4     | 92                                  | 105                                 | 13     | 14.5                |
| Reinsurance          | 5     | 70                                  | 79                                  | 8      | 11.9                |
| Net income/(loss)    | 6     | 94                                  | 82                                  | (12)   | (13.1)              |
| Asia                 | 7     | 45                                  | 37                                  | (8)    | (18.1)              |
| Europe               | 8     | 18                                  | 22                                  | 3      | 18.0                |
| Americas             | 9     | 3                                   | 2                                   | (1)    | (33.5)              |
| Reinsurance          | 10    | 26                                  | 20                                  | (6)    | (24.0)              |

#### (4) Summary of Results of Domestic Life Insurance Business

(Yen in 100 millions)

| (in 100 millions)                         |                                        |                                     |                                     |         |                     |                              |         |
|-------------------------------------------|----------------------------------------|-------------------------------------|-------------------------------------|---------|---------------------|------------------------------|---------|
|                                           | Items                                  | Three months ended<br>June 30, 2013 | Three months ended<br>June 30, 2014 | Change  | Change ratio<br>(%) | Year ended<br>March 31, 2014 |         |
| Amount of new policies                    |                                        |                                     |                                     |         |                     |                              |         |
|                                           | Mitsui Sumitomo Aioi Life Insurance    | 1                                   | 6,251                               | 6,126   | (124)               | (2.0)                        | 26,722  |
|                                           | Mitsui Sumitomo Primary Life Insurance | 2                                   | 1,155                               | 2,187   | 1,032               | 89.3                         | 8,005   |
| Amount of policies in force               |                                        |                                     |                                     |         |                     |                              |         |
|                                           | Mitsui Sumitomo Aioi Life Insurance    | 3                                   | 202,874                             | 212,958 | 1,908               | 0.9                          | 211,050 |
|                                           | Mitsui Sumitomo Primary Life Insurance | 4                                   | 35,845                              | 41,772  | 1,528               | 3.8                          | 40,243  |
| Annualized premiums for policies in force |                                        |                                     |                                     |         |                     |                              |         |
|                                           | Mitsui Sumitomo Aioi Life Insurance    | 5                                   | 3,223                               | 3,398   | 39                  | 1.2                          | 3,358   |
|                                           | Mitsui Sumitomo Primary Life Insurance | 6                                   | 4,190                               | 4,640   | 97                  | 2.1                          | 4,543   |

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

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

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

### (1) Business Performance

(Yen in 100 millions)

|     | Items                                                                       | Three months ended<br>June 30, 2013 | Three months ended<br>June 30, 2014 | Change | Change ratio |
|-----|-----------------------------------------------------------------------------|-------------------------------------|-------------------------------------|--------|--------------|
|     |                                                                             |                                     |                                     |        | %            |
| (+) | Net premiums written                                                        | 3,374                               | 3,551                               | 177    | 5.3          |
| (-) | Net claims paid                                                             | 2,089                               | 2,051                               | (37)   | (1.8)        |
| (-) | Loss adjustment expenses                                                    | 185                                 | 217                                 | 31     | 17.3         |
| (-) | Commissions and collection expenses                                         | 607                                 | 641                                 | 33     | 5.6          |
| (-) | Operating expenses and general and administrative expenses for underwriting | 495                                 | 534                                 | 39     | 7.9          |
|     | Underwriting profit/(loss) before movements in reserves                     | (2)                                 | 106                                 | 109    | -            |
| (-) | Movement in outstanding claims                                              | (110)                               | (45)                                | 64     | -            |
| (-) | Movement in ordinary underwriting reserves                                  | 13                                  | 80                                  | 66     | 491.0        |
| (-) | Movement in catastrophe reserve                                             | (132)                               | (19)                                | 113    | -            |
| (+) | Other                                                                       | 7                                   | 5                                   | (1)    | (20.5)       |
|     | Underwriting profit/(loss)                                                  | 233                                 | 97                                  | (136)  | (58.5)       |
| (+) | Interest and dividends income                                               | 403                                 | 360                                 | (42)   | (10.6)       |
| (-) | Transfer of investment income on deposit premiums from policyholders        | 104                                 | 99                                  | (4)    | (4.3)        |
|     | Net interest and dividends income (item 12 - item 13)                       | 299                                 | 261                                 | (38)   | (12.8)       |
| (+) | Gains/(losses) on sales of securities                                       | 150                                 | 35                                  | (114)  | (76.1)       |
| (-) | Impairment losses on securities                                             | 5                                   | 36                                  | 30     | 521.0        |
| (+) | Gains/(losses) on derivative transactions                                   | 42                                  | 18                                  | (24)   | (57.6)       |
| (+) | Other                                                                       | (18)                                | (18)                                | 0      | -            |
|     | Investment profit/(loss)                                                    | 467                                 | 260                                 | (207)  | (44.3)       |
| (+) | Other ordinary profit/(loss)                                                | (34)                                | (6)                                 | 27     | -            |
|     | Ordinary profit/(loss)                                                      | 666                                 | 350                                 | (316)  | (47.4)       |
| (+) | Extraordinary income/(losses):                                              | (8)                                 | 6                                   | 15     | -            |
|     | Gains/(losses) on reserve for price fluctuation                             | (6)                                 | (6)                                 | (0)    | -            |
|     | Income/(loss) before income taxes                                           | 658                                 | 357                                 | (300)  | (45.7)       |
| (-) | Income taxes                                                                | 169                                 | 112                                 | (57)   | (33.6)       |
|     | Net income/(loss)                                                           | 488                                 | 244                                 | (243)  | (49.9)       |

|        |                   |    |         |        |         |  |
|--------|-------------------|----|---------|--------|---------|--|
| Ratios | Net loss ratio    | 27 | 67.4 %  | 63.9 % | (3.5) % |  |
|        | Net expense ratio | 28 | 32.7 %  | 33.1 % | 0.4 %   |  |
|        | Combined ratio    | 29 | 100.1 % | 97.0 % | (3.1) % |  |

- (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

### (Reference) Business performance excluding residential earthquake insurance and CALI\*

|        |                      |    |        |        |         |     |
|--------|----------------------|----|--------|--------|---------|-----|
|        | Net premiums written | 30 | 3,018  | 3,139  | 121     | 4.0 |
| Ratios | Net loss ratio       | 31 | 63.7 % | 60.7 % | (3.0) % |     |
|        | Net expense ratio    | 32 | 33.9 % | 34.9 % | 1.0 %   |     |
|        | Combined ratio       | 33 | 97.6 % | 95.6 % | (2.0) % |     |

\* CALI stands for compulsory automobile liability insurance, and the same hereinafter.

**(2) Premiums written**

(Yen in 100 millions)

|                      | Net premiums written             |                |                                  |                | Direct premiums written (excluding deposit premiums from policyholders) |                |                                  |                |
|----------------------|----------------------------------|----------------|----------------------------------|----------------|-------------------------------------------------------------------------|----------------|----------------------------------|----------------|
|                      | Three months ended June 30, 2013 |                | Three months ended June 30, 2014 |                | Three months ended June 30, 2013                                        |                | Three months ended June 30, 2014 |                |
|                      | Amount                           | Change ratio % | Amount                           | Change ratio % | Amount                                                                  | Change ratio % | Amount                           | Change ratio % |
| Fire and allied      | 417                              | 17.3           | 461                              | 10.6           | 620                                                                     | 7.7            | 696                              | 12.2           |
| Marine               | 148                              | 9.8            | 161                              | 8.9            | 211                                                                     | 11.3           | 227                              | 7.5            |
| Personal accident    | 382                              | 0.4            | 394                              | 3.3            | 403                                                                     | 0.7            | 414                              | 2.9            |
| Voluntary automobile | 1,547                            | 3.3            | 1,590                            | 2.8            | 1,555                                                                   | 3.3            | 1,589                            | 2.2            |
| CALI                 | 353                              | (1.3)          | 410                              | 16.0           | 419                                                                     | 6.9            | 419                              | 0.1            |
| Other                | 525                              | 2.3            | 532                              | 1.3            | 573                                                                     | 5.9            | 608                              | 6.2            |
| Total                | 3,374                            | 4.1            | 3,551                            | 5.3            | 3,783                                                                   | 4.9            | 3,957                            | 4.6            |

**(3) Net claims paid**

(Yen in 100 millions)

|                      | Three months ended June 30, 2013 |                |                  | Three months ended June 30, 2014 |                |                  |          |
|----------------------|----------------------------------|----------------|------------------|----------------------------------|----------------|------------------|----------|
|                      | Amount                           | Change ratio % | Net loss ratio % | Amount                           | Change ratio % | Net loss ratio % | Change % |
| Fire and allied      | 411                              | (22.3)         | 101.4            | 435                              | 5.9            | 96.9             | (4.5)    |
| Marine               | 68                               | 5.2            | 48.7             | 71                               | 5.0            | 47.1             | (1.6)    |
| Personal accident    | 201                              | 5.6            | 58.0             | 198                              | (1.6)          | 56.1             | (1.9)    |
| Voluntary automobile | 866                              | (4.3)          | 62.7             | 809                              | (6.5)          | 59.1             | (3.6)    |
| CALI                 | 320                              | (6.0)          | 99.7             | 330                              | 3.0            | 88.6             | (11.1)   |
| Other                | 221                              | 8.0            | 44.6             | 206                              | (6.8)          | 41.4             | (3.2)    |
| Total                | 2,089                            | (6.6)          | 67.4             | 2,051                            | (1.8)          | 63.9             | (3.5)    |

(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, 2013 |                 |                                | Three months ended June 30, 2014 |                 |                                |
|----------------------|----------------------------------|-----------------|--------------------------------|----------------------------------|-----------------|--------------------------------|
|                      | Incurred losses                  | Net claims paid | Movement in outstanding claims | Incurred losses                  | Net claims paid | Movement in outstanding claims |
| Fire and allied      | 15                               | 7               | 7                              | -                                | -               | -                              |
| Voluntary automobile | 1                                | 1               | 0                              | -                                | -               | -                              |
| Other                | 1                                | 0               | 0                              | -                                | -               | -                              |
| Total                | 17                               | 9               | 7                              | -                                | -               | -                              |

(Note) The above table represents incurred losses caused by natural disasters in Japan during the period.

Net claims paid caused by heavy snowfall disaster in February, 2014 is ¥23.5 billion (¥21.0 billion in Fire and allied, ¥1.8 billion in Voluntary automobile and ¥0.6 billion in Other) during the three months ended June 30, 2014.

**(Reference) Incurred losses caused by flooding in Thailand**

(Yen in 100 millions)

|                 | Three months ended June 30, 2013 |                 |                                | Three months ended June 30, 2014 |                 |                                |
|-----------------|----------------------------------|-----------------|--------------------------------|----------------------------------|-----------------|--------------------------------|
|                 | Incurred losses                  | Net claims paid | Movement in outstanding claims | Incurred losses                  | Net claims paid | Movement in outstanding claims |
| Incurred losses | (60)                             | 143             | (203)                          | (4)                              | 8               | (12)                           |

(Note) Incurred losses include influence of exchange rate fluctuations.

**(4) Expenses**

&lt;Company expenses&gt;

(Yen in 100 millions)

|                         | Items | Three months ended June 30, 2013 |        |                | Three months ended June 30, 2014 |        |                |
|-------------------------|-------|----------------------------------|--------|----------------|----------------------------------|--------|----------------|
|                         |       | Amount                           | Change | Change ratio % | Amount                           | Change | Change ratio % |
| Personnel expenses      | 1     | 424                              | 1      | 0.4            | 460                              | 35     | 8.3            |
| Non-personnel expenses  | 2     | 244                              | (11)   | (4.6)          | 282                              | 37     | 15.3           |
| Taxes and contributions | 3     | 33                               | 0      | 1.0            | 31                               | (1)    | (4.2)          |
| Total                   | 4     | 702                              | (9)    | (1.3)          | 774                              | 71     | 10.2           |

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

&lt;Expenses for underwriting&gt;

(Yen in 100 millions)

|                                                            | Items | Three months ended June 30, 2013 |         |                | Three months ended June 30, 2014 |        |                |
|------------------------------------------------------------|-------|----------------------------------|---------|----------------|----------------------------------|--------|----------------|
|                                                            |       | Amount                           | Change  | Change ratio % | Amount                           | Change | Change ratio % |
| Operating expenses and general and administrative expenses | 5     | 495                              | (4)     | (0.9)          | 534                              | 39     | 7.9            |
| Commissions and collection expenses                        | 6     | 607                              | 22      | 3.8            | 641                              | 33     | 5.6            |
| Total                                                      | 7     | 1,103                            | 17      | 1.6            | 1,176                            | 72     | 6.6            |
| Net expense ratio                                          | 8     | 32.7 %                           | (0.8) % |                | 33.1 %                           | 0.4 %  |                |

**(5) Catastrophe reserve**

(Yen in 100 millions)

|                      | March 31, 2014 |               | June 30, 2014 |           |         |               |
|----------------------|----------------|---------------|---------------|-----------|---------|---------------|
|                      | Balance        | Reserve ratio | Reversal      | Provision | Balance | Reserve ratio |
|                      |                | %             |               |           |         | %             |
| Fire and allied      | 1,005          | 47.5          | 142           | 41        | 903     | 49.1          |
| Marine               | 693            | 122.3         | -             | 7         | 700     | 108.4         |
| Personal accident    | 621            | 43.0          | 1             | 12        | 632     | 40.0          |
| Voluntary automobile | 194            | 3.2           | 14            | 51        | 231     | 3.6           |
| Other                | 1,470          | 77.8          | 0             | 28        | 1,498   | 70.3          |
| Total                | 3,985          | 32.9          | 160           | 140       | 3,966   | 31.6          |

(Note) Reserve ratio = catastrophe reserve / net premiums written (excluding premiums of residential earthquake insurance and CALI and Good Result Return premiums of the automobile insurance product "ModoRich") x 100

The calculation for the reserve ratio as of June 30, 2014 has been made using four times of the net premiums written for the three months ended June 30, 2014 as a denominator.

**(6) Investment assets**

(Yen in 100 millions)

|                            | March 31, 2014 | June 30, 2014 |        |
|----------------------------|----------------|---------------|--------|
|                            |                |               | Change |
| Cash, deposits and savings | 3,387          | 3,442         | 55     |
| Investments in securities: | 45,026         | 46,282        | 1,255  |
| Domestic bonds             | 18,734         | 19,167        | 432    |
| Stock                      | 18,097         | 18,904        | 807    |
| Foreign securities         | 8,033          | 8,049         | 15     |
| Other securities           | 160            | 160           | 0      |
| Loans                      | 5,382          | 5,319         | (63)   |
| Land and buildings         | 2,239          | 2,225         | (14)   |
| Total                      | 56,035         | 57,269        | 1,233  |

(Reference)

|                             |        |        |      |
|-----------------------------|--------|--------|------|
| Long-term investment assets | 15,356 | 15,271 | (84) |
|-----------------------------|--------|--------|------|

**(7) Breakdown of interest and dividends income**

(Yen in 100 millions)

|                            | Three months ended<br>June 30, 2013 | Three months ended<br>June 30, 2014 |        |
|----------------------------|-------------------------------------|-------------------------------------|--------|
|                            |                                     |                                     | Change |
| Investments in securities: | 357                                 | 322                                 | (34)   |
| Domestic bonds             | 65                                  | 57                                  | (7)    |
| Stock                      | 174                                 | 221                                 | 46     |
| Foreign securities         | 114                                 | 43                                  | (70)   |
| Other securities           | 2                                   | 0                                   | (2)    |
| Loans                      | 22                                  | 19                                  | (2)    |
| Land and buildings         | 16                                  | 13                                  | (2)    |
| Other                      | 8                                   | 5                                   | (2)    |
| Total                      | 403                                 | 360                                 | (42)   |

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

(Yen in 100 millions)

| June 30, 2014      | Cost   | Fair value | Difference | Change from<br>March 31, 2014 |
|--------------------|--------|------------|------------|-------------------------------|
| Domestic bonds     | 18,213 | 19,167     | 954        | 99                            |
| Stock              | 6,870  | 18,283     | 11,412     | 830                           |
| Foreign securities | 3,106  | 3,285      | 178        | (0)                           |
| Other securities   | 977    | 1,024      | 46         | 3                             |
| Total              | 29,167 | 41,759     | 12,591     | 932                           |

(Yen in 100 millions)

| March 31, 2014     | Cost   | Fair value | Difference |
|--------------------|--------|------------|------------|
| Domestic bonds     | 17,879 | 18,734     | 855        |
| Stock              | 6,894  | 17,475     | 10,581     |
| Foreign securities | 3,043  | 3,222      | 179        |
| Other securities   | 767    | 810        | 43         |
| Total              | 28,584 | 40,244     | 11,659     |

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

2. "Other securities" includes certificates of deposits included in Cash, deposits and savings and 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)

|                    | Three months ended<br>June 30, 2013<br>Gains/(losses) | Three months ended<br>June 30, 2014 |       |        |
|--------------------|-------------------------------------------------------|-------------------------------------|-------|--------|
|                    |                                                       | Gains/(losses)                      | Gains | Losses |
| Domestic bonds     | 28                                                    | 0                                   | 0     | 0      |
| Stock              | 118                                                   | 34                                  | 34    | -      |
| Foreign securities | 3                                                     | 1                                   | 1     | 0      |
| Other securities   | (0)                                                   | -                                   | -     | -      |
| Total              | 150                                                   | 35                                  | 35    | 0      |

**Impairment losses on securities**

(Yen in 100 millions)

|                    | Three months ended<br>June 30, 2013 | Three months ended<br>June 30, 2014 |        |
|--------------------|-------------------------------------|-------------------------------------|--------|
|                    |                                     |                                     | Change |
| Domestic bonds     | -                                   | -                                   | -      |
| Stock              | 5                                   | 0                                   | (4)    |
| Foreign securities | 0                                   | 35                                  | 34     |
| Other securities   | -                                   | -                                   | -      |
| Total              | 5                                   | 36                                  | 30     |

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

#### (1) Business Performance

(Yen in 100 millions)

|     | Items                                                                       | Three months ended<br>June 30, 2013 | Three months ended<br>June 30, 2014 | Change | Change ratio<br>% |
|-----|-----------------------------------------------------------------------------|-------------------------------------|-------------------------------------|--------|-------------------|
| (+) | Net premiums written                                                        | 2,814                               | 2,898                               | 83     | 3.0               |
| (-) | Net claims paid                                                             | 1,700                               | 1,813                               | 112    | 6.6               |
| (-) | Loss adjustment expenses                                                    | 124                                 | 132                                 | 7      | 6.1               |
| (-) | Commissions and collection expenses                                         | 524                                 | 558                                 | 33     | 6.5               |
| (-) | Operating expenses and general and administrative expenses for underwriting | 454                                 | 482                                 | 27     | 6.1               |
|     | Underwriting profit/(loss) before movements in reserves                     | 10                                  | (88)                                | (98)   | (958.2)           |
| (-) | Movement in outstanding claims                                              | (50)                                | (241)                               | (190)  | -                 |
| (-) | Movement in ordinary underwriting reserves                                  | (16)                                | 7                                   | 23     | -                 |
| (-) | Movement in catastrophe reserve                                             | (65)                                | (167)                               | (102)  | -                 |
| (+) | Other                                                                       | 12                                  | 3                                   | (9)    | (73.3)            |
|     | Underwriting profit/(loss)                                                  | 154                                 | 316                                 | 161    | 104.4             |
| (+) | Interest and dividends income                                               | 236                                 | 177                                 | (59)   | (25.1)            |
| (-) | Transfer of investment income on deposit premiums from policyholders        | 48                                  | 47                                  | (1)    | (4.0)             |
|     | Net interest and dividends income (item 12 - item 13)                       | 187                                 | 130                                 | (57)   | (30.6)            |
| (+) | Gains/(losses) on sales of securities                                       | 64                                  | 12                                  | (52)   | (81.3)            |
| (-) | Impairment losses on securities                                             | 24                                  | 2                                   | (22)   | (90.8)            |
| (+) | Gains/(losses) on derivative transactions                                   | 3                                   | (3)                                 | (6)    | (216.3)           |
| (+) | Other                                                                       | (19)                                | (14)                                | 5      | -                 |
|     | Investment profit/(loss)                                                    | 211                                 | 121                                 | (89)   | (42.4)            |
| (+) | Other ordinary profit/(loss)                                                | 9                                   | 8                                   | (0)    | (5.0)             |
|     | Ordinary profit/(loss)                                                      | 376                                 | 447                                 | 71     | 19.1              |
| (+) | Extraordinary income/(losses):                                              | (4)                                 | 94                                  | 99     | -                 |
|     | Gains/(losses) on reserve for price fluctuation                             | (4)                                 | (3)                                 | 0      | -                 |
|     | Income/(loss) before income taxes                                           | 371                                 | 542                                 | 171    | 46.2              |
| (-) | Income taxes                                                                | 99                                  | 148                                 | 48     | 49.3              |
|     | Net income/(loss)                                                           | 271                                 | 394                                 | 122    | 45.0              |

|        |                   |    |        |         |       |  |
|--------|-------------------|----|--------|---------|-------|--|
| Ratios | Net loss ratio    | 27 | 64.9 % | 67.1 %  | 2.2 % |  |
|        | Net expense ratio | 28 | 34.8 % | 35.9 %  | 1.1 % |  |
|        | Combined ratio    | 29 | 99.7 % | 103.0 % | 3.3 % |  |

- (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. Extraordinary income/(loss) for the three months ended June 30, 2014 includes an income of ¥10.0 billion received in return for transfer of new policies of the third sector long term contracts to Mitsui Sumitomo Aioi Life Insurance Co., Ltd.

#### (Reference) Business performance excluding residential earthquake insurance and CALI

|        |                      |    |        |         |       |     |
|--------|----------------------|----|--------|---------|-------|-----|
|        | Net premiums written | 30 | 2,472  | 2,507   | 34    | 1.4 |
| Ratios | Net loss ratio       | 31 | 60.7 % | 64.4 %  | 3.7 % |     |
|        | Net expense ratio    | 32 | 35.8 % | 37.7 %  | 1.9 % |     |
|        | Combined ratio       | 33 | 96.5 % | 102.1 % | 5.6 % |     |

**(2) Premiums written**

(Yen in 100 millions)

|                      | Net premiums written             |                |                                  |                | Direct premiums written (excluding deposit premiums from policyholders) |                |                                  |                |
|----------------------|----------------------------------|----------------|----------------------------------|----------------|-------------------------------------------------------------------------|----------------|----------------------------------|----------------|
|                      | Three months ended June 30, 2013 |                | Three months ended June 30, 2014 |                | Three months ended June 30, 2013                                        |                | Three months ended June 30, 2014 |                |
|                      | Amount                           | Change ratio % | Amount                           | Change ratio % | Amount                                                                  | Change ratio % | Amount                           | Change ratio % |
| Fire and allied      | 288                              | 12.6           | 285                              | (1.1)          | 472                                                                     | 8.3            | 486                              | 2.9            |
| Marine               | 28                               | 11.7           | 25                               | (9.7)          | 25                                                                      | (1.3)          | 19                               | (21.8)         |
| Personal accident    | 189                              | (0.6)          | 187                              | (1.5)          | 201                                                                     | (0.9)          | 197                              | (2.2)          |
| Voluntary automobile | 1,685                            | 3.0            | 1,712                            | 1.6            | 1,644                                                                   | 2.1            | 1,643                            | (0.0)          |
| CALI                 | 340                              | (3.7)          | 389                              | 14.4           | 447                                                                     | 4.8            | 452                              | 1.1            |
| Other                | 282                              | 1.8            | 298                              | 5.7            | 354                                                                     | (7.2)          | 354                              | 0.0            |
| Total                | 2,814                            | 2.7            | 2,898                            | 3.0            | 3,145                                                                   | 2.0            | 3,153                            | 0.3            |

**(3) Net claims paid**

(Yen in 100 millions)

|                      | Three months ended June 30, 2013 |                |                  | Three months ended June 30, 2014 |                |                  |          |
|----------------------|----------------------------------|----------------|------------------|----------------------------------|----------------|------------------|----------|
|                      | Amount                           | Change ratio % | Net loss ratio % | Amount                           | Change ratio % | Net loss ratio % | Change % |
| Fire and allied      | 209                              | (24.2)         | 75.2             | 360                              | 71.8           | 129.3            | 54.1     |
| Marine               | 17                               | 41.2           | 63.4             | 12                               | (27.1)         | 52.8             | (10.6)   |
| Personal accident    | 86                               | (0.8)          | 48.4             | 80                               | (7.0)          | 46.6             | (1.8)    |
| Voluntary automobile | 946                              | (2.6)          | 60.8             | 921                              | (2.7)          | 58.5             | (2.3)    |
| CALI                 | 300                              | (6.5)          | 95.6             | 305                              | 1.6            | 84.9             | (10.7)   |
| Other                | 140                              | (13.5)         | 52.6             | 133                              | (4.9)          | 48.1             | (4.5)    |
| Total                | 1,700                            | (7.1)          | 64.9             | 1,813                            | 6.6            | 67.1             | 2.2      |

(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, 2013 |                 |                                | Three months ended June 30, 2014 |                 |                                |
|----------------------|----------------------------------|-----------------|--------------------------------|----------------------------------|-----------------|--------------------------------|
|                      | Incurred losses                  | Net claims paid | Movement in outstanding claims | Incurred losses                  | Net claims paid | Movement in outstanding claims |
| Fire and allied      | 10                               | 7               | 3                              | -                                | -               | -                              |
| Voluntary automobile | 1                                | 1               | 0                              | -                                | -               | -                              |
| Other                | 1                                | 0               | 0                              | -                                | -               | -                              |
| Total                | 13                               | 9               | 3                              | -                                | -               | -                              |

(Note) The above table represents incurred losses caused by natural disasters in Japan during the period.

Net claims paid caused by heavy snowfall disaster in February, 2014 is ¥22.7 billion (¥20.1 billion in Fire and allied, ¥2.3 billion in Voluntary automobile and ¥0.2 billion in Other) during the three months ended June 30, 2014.

**(Reference) Incurred losses caused by flooding in Thailand**

(Yen in 100 millions)

|                 | Three months ended June 30, 2013 |                 |                                | Three months ended June 30, 2014 |                 |                                |
|-----------------|----------------------------------|-----------------|--------------------------------|----------------------------------|-----------------|--------------------------------|
|                 | Incurred losses                  | Net claims paid | Movement in outstanding claims | Incurred losses                  | Net claims paid | Movement in outstanding claims |
| Incurred losses | (16)                             | 7               | (24)                           | (0)                              | 0               | (1)                            |

(Note) Incurred losses include influence of exchange rate fluctuations.

**(4) Expenses**

&lt;Company expenses&gt;

(Yen in 100 millions)

|                         | Items | Three months ended June 30, 2013 |        |                | Three months ended June 30, 2014 |        |                |
|-------------------------|-------|----------------------------------|--------|----------------|----------------------------------|--------|----------------|
|                         |       | Amount                           | Change | Change ratio % | Amount                           | Change | Change ratio % |
| Personnel expenses      | 1     | 304                              | 3      | 1.3            | 295                              | (8)    | (2.7)          |
| Non-personnel expenses  | 2     | 263                              | 9      | 3.8            | 306                              | 43     | 16.7           |
| Taxes and contributions | 3     | 28                               | 0      | 1.8            | 28                               | 0      | 0.3            |
| Total                   | 4     | 595                              | 14     | 2.4            | 631                              | 35     | 6.0            |

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

&lt;Expenses for underwriting&gt;

(Yen in 100 millions)

|                                                            | Items | Three months ended June 30, 2013 |        |                | Three months ended June 30, 2014 |        |                |
|------------------------------------------------------------|-------|----------------------------------|--------|----------------|----------------------------------|--------|----------------|
|                                                            |       | Amount                           | Change | Change ratio % | Amount                           | Change | Change ratio % |
| Operating expenses and general and administrative expenses | 5     | 454                              | 17     | 3.9            | 482                              | 27     | 6.1            |
| Commissions and collection expenses                        | 6     | 524                              | 22     | 4.5            | 558                              | 33     | 6.5            |
| Total                                                      | 7     | 978                              | 39     | 4.2            | 1,040                            | 61     | 6.3            |
| Net expense ratio                                          | 8     | 34.8 %                           | 0.5 %  |                | 35.9 %                           | 1.1 %  |                |

**(5) Catastrophe reserve**

(Yen in 100 millions)

|                      | March 31, 2014 |               | June 30, 2014 |           |         |               |
|----------------------|----------------|---------------|---------------|-----------|---------|---------------|
|                      | Balance        | Reserve ratio | Reversal      | Provision | Balance | Reserve ratio |
|                      |                | %             |               |           |         | %             |
| Fire and allied      | 1,045          | 77.3          | 197           | 22        | 870     | 76.6          |
| Marine               | 138            | 123.3         | -             | 1         | 139     | 137.1         |
| Personal accident    | 589            | 81.1          | -             | 5         | 595     | 79.6          |
| Voluntary automobile | 212            | 3.2           | 63            | 55        | 203     | 3.0           |
| Other                | 505            | 49.7          | 6             | 15        | 514     | 43.0          |
| Total                | 2,491          | 25.4          | 267           | 100       | 2,324   | 23.2          |

(Note) Reserve ratio = catastrophe reserve / net premiums written (excluding premiums of residential earthquake insurance and CALI) x 100  
The calculation for the reserve ratio as of June 30, 2014 has been made using four times of the net premiums written for the three months ended June 30, 2014 as a denominator.

**(6) Investment assets**

(Yen in 100 millions)

|                            | March 31, 2014 | June 30, 2014 |        |
|----------------------------|----------------|---------------|--------|
|                            |                |               | Change |
| Cash, deposits and savings | 1,057          | 1,040         | (17)   |
| Investments in securities: | 23,654         | 23,925        | 271    |
| Domestic bonds             | 9,696          | 9,724         | 28     |
| Stock                      | 7,122          | 7,406         | 284    |
| Foreign securities         | 6,441          | 6,392         | (49)   |
| Other securities           | 394            | 401           | 7      |
| Loans                      | 2,200          | 2,203         | 3      |
| Land and buildings         | 1,721          | 1,705         | (15)   |
| Total                      | 28,632         | 28,875        | 242    |

(Reference)

|                             |       |       |      |
|-----------------------------|-------|-------|------|
| Long-term investment assets | 5,692 | 5,618 | (74) |
|-----------------------------|-------|-------|------|

**(7) Breakdown of interest and dividends income**

(Yen in 100 millions)

|                            | Three months ended<br>June 30, 2013 | Three months ended<br>June 30, 2014 |        |
|----------------------------|-------------------------------------|-------------------------------------|--------|
|                            |                                     |                                     | Change |
| Investments in securities: | 213                                 | 156                                 | (57)   |
| Domestic bonds             | 25                                  | 26                                  | 0      |
| Stock                      | 98                                  | 83                                  | (14)   |
| Foreign securities         | 88                                  | 43                                  | (45)   |
| Other securities           | 1                                   | 2                                   | 0      |
| Loans                      | 9                                   | 8                                   | (1)    |
| Land and buildings         | 11                                  | 11                                  | (0)    |
| Other                      | 1                                   | 1                                   | (0)    |
| Total                      | 236                                 | 177                                 | (59)   |

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

(Yen in 100 millions)

| June 30, 2014      | Cost   | Fair value | Difference | Change from<br>March 31, 2014 |
|--------------------|--------|------------|------------|-------------------------------|
| Domestic bonds     | 9,330  | 9,724      | 394        | 46                            |
| Stock              | 4,275  | 7,132      | 2,856      | 378                           |
| Foreign securities | 5,519  | 5,888      | 368        | 59                            |
| Other securities   | 266    | 316        | 50         | 9                             |
| Total              | 19,392 | 23,063     | 3,670      | 493                           |

(Yen in 100 millions)

| March 31, 2014     | Cost   | Fair value | Difference |
|--------------------|--------|------------|------------|
| Domestic bonds     | 9,347  | 9,696      | 348        |
| Stock              | 4,369  | 6,847      | 2,478      |
| Foreign securities | 5,662  | 5,972      | 309        |
| Other securities   | 248    | 289        | 41         |
| Total              | 19,628 | 22,805     | 3,177      |

(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<br>June 30, 2013<br>Gains/(losses) | Three months ended<br>June 30, 2014<br>Gains/(losses) |       |        |
|--------------------|-------------------------------------------------------|-------------------------------------------------------|-------|--------|
|                    |                                                       |                                                       | Gains | Losses |
| Domestic bonds     | 11                                                    | 0                                                     | 0     | 0      |
| Stock              | 32                                                    | 13                                                    | 13    | 0      |
| Foreign securities | 20                                                    | (1)                                                   | 15    | 16     |
| Other securities   | -                                                     | (0)                                                   | -     | 0      |
| Total              | 64                                                    | 12                                                    | 29    | 17     |

**Impairment losses on securities**

(Yen in 100 millions)

|                    | Three months ended<br>June 30, 2013 | Three months ended<br>June 30, 2014 | Change |
|--------------------|-------------------------------------|-------------------------------------|--------|
|                    |                                     |                                     |        |
| Domestic bonds     | -                                   | -                                   | -      |
| Stock              | 17                                  | 0                                   | (17)   |
| Foreign securities | 6                                   | 1                                   | (4)    |
| Other securities   | -                                   | -                                   | -      |
| Total              | 24                                  | 2                                   | (22)   |

#### 4. Supplementary Information

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

##### (a) 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<br>June 30, 2013 |              |                      | Three months ended<br>June 30, 2014 |              |                      |
|-------------------------------------|-------------------------------------|--------------|----------------------|-------------------------------------|--------------|----------------------|
|                                     | Amount                              | Share<br>%   | Change<br>ratio<br>% | Amount                              | Share<br>%   | Change<br>ratio<br>% |
| Fire and allied                     | 139,749                             | 17.0         | 8.5                  | 150,650                             | 17.5         | 7.8                  |
| Marine                              | 32,494                              | 4.0          | 12.1                 | 35,023                              | 4.1          | 7.8                  |
| Personal accident                   | 89,634                              | 10.9         | (4.3)                | 92,498                              | 10.8         | 3.2                  |
| Voluntary automobile                | 353,962                             | 43.1         | 3.8                  | 364,419                             | 42.3         | 3.0                  |
| CALI                                | 86,675                              | 10.6         | 5.8                  | 87,220                              | 10.1         | 0.6                  |
| Other                               | 117,979                             | 14.4         | 5.1                  | 131,011                             | 15.2         | 11.0                 |
| <b>Total:</b>                       | <b>820,496</b>                      | <b>100.0</b> | <b>4.3</b>           | <b>860,823</b>                      | <b>100.0</b> | <b>4.9</b>           |
| Deposit premiums from policyholders | 36,375                              | 4.4          | (13.6)               | 38,176                              | 4.4          | 5.0                  |

###### (Reference) Direct Premiums Written excluding Good Result Return premiums of the automobile insurance product "ModoRich"

|                      |                |  |            |                |  |            |
|----------------------|----------------|--|------------|----------------|--|------------|
| Voluntary Automobile | 353,677        |  | 3.5        | 364,570        |  | 3.1        |
| <b>Total</b>         | <b>820,211</b> |  | <b>4.2</b> | <b>860,974</b> |  | <b>5.0</b> |

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

(Yen in millions)

| Lines of Insurance   | Three months ended<br>June 30, 2013 |              |                      | Three months ended<br>June 30, 2014 |              |                      |
|----------------------|-------------------------------------|--------------|----------------------|-------------------------------------|--------------|----------------------|
|                      | Amount                              | Share<br>%   | Change<br>ratio<br>% | Amount                              | Share<br>%   | Change<br>ratio<br>% |
| Fire and allied      | 83,700                              | 12.1         | 16.0                 | 89,778                              | 12.3         | 7.3                  |
| Marine               | 25,339                              | 3.7          | 13.7                 | 27,355                              | 3.7          | 8.0                  |
| Personal accident    | 59,693                              | 8.6          | 0.8                  | 61,048                              | 8.3          | 2.3                  |
| Voluntary automobile | 356,276                             | 51.6         | 4.2                  | 369,281                             | 50.3         | 3.7                  |
| CALI                 | 69,495                              | 10.1         | (2.5)                | 80,056                              | 10.9         | 15.2                 |
| Other                | 96,205                              | 13.9         | 6.0                  | 106,148                             | 14.5         | 10.3                 |
| <b>Total</b>         | <b>690,709</b>                      | <b>100.0</b> | <b>5.0</b>           | <b>733,669</b>                      | <b>100.0</b> | <b>6.2</b>           |

###### (Reference) Net Premiums Written excluding Good Result Return premiums of the automobile insurance product "ModoRich"

|                      |                |  |            |                |  |            |
|----------------------|----------------|--|------------|----------------|--|------------|
| Voluntary automobile | 355,990        |  | 3.9        | 369,432        |  | 3.8        |
| <b>Total</b>         | <b>690,424</b> |  | <b>4.9</b> | <b>733,820</b> |  | <b>6.3</b> |

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

(Yen in millions)

| Lines of Insurance   | Three months ended<br>June 30, 2013 |              |                      | Three months ended<br>June 30, 2014 |              |                      |
|----------------------|-------------------------------------|--------------|----------------------|-------------------------------------|--------------|----------------------|
|                      | Amount                              | Share<br>%   | Change<br>ratio<br>% | Amount                              | Share<br>%   | Change<br>ratio<br>% |
| Fire and allied      | 67,109                              | 16.1         | (23.4)               | 85,774                              | 20.2         | 27.8                 |
| Marine               | 11,230                              | 2.7          | 9.8                  | 11,539                              | 2.7          | 2.7                  |
| Personal accident    | 29,596                              | 7.1          | 4.0                  | 28,728                              | 6.7          | (2.9)                |
| Voluntary automobile | 199,474                             | 47.9         | (2.3)                | 193,315                             | 45.4         | (3.1)                |
| CALI                 | 62,210                              | 15.0         | (6.3)                | 63,660                              | 15.0         | 2.3                  |
| Other                | 46,737                              | 11.2         | 7.1                  | 42,369                              | 10.0         | (9.3)                |
| <b>Total</b>         | <b>416,358</b>                      | <b>100.0</b> | <b>(5.5)</b>         | <b>425,387</b>                      | <b>100.0</b> | <b>2.2</b>           |

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

## (b) Available-for-Sale Securities

(Yen in millions)

| Items              | March 31, 2014 |                 |            | June 30, 2014 |                 |            |
|--------------------|----------------|-----------------|------------|---------------|-----------------|------------|
|                    | Cost           | Carrying amount | Difference | Cost          | Carrying amount | Difference |
| Domestic Bonds     | 4,234,605      | 4,428,972       | 194,367    | 4,274,227     | 4,492,052       | 217,824    |
| Stock              | 1,209,856      | 2,433,341       | 1,223,484  | 1,197,452     | 2,542,626       | 1,345,173  |
| Foreign Securities | 1,393,036      | 1,478,165       | 85,129     | 1,393,769     | 1,484,121       | 90,351     |
| Other Securities   | 107,663        | 114,957         | 7,293      | 130,726       | 139,445         | 8,719      |
| Total              | 6,945,161      | 8,455,437       | 1,510,275  | 6,996,175     | 8,658,245       | 1,662,069  |

| March 31, 2014                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | June 30, 2014                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>1. Available-for-sale securities without practically determinable fair value are not included in the above table.</p> <p>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.</p> <p>3. The Company and its consolidated subsidiaries recognized impairment losses of ¥1,094 million on Available-for-sale securities with practically determinable fair value (comprised of ¥918 million on Stock and ¥176 million on Foreign securities).<br/>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.</p> | <p>1. Available-for-sale securities without practically determinable fair value are not included in the above table.</p> <p>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.</p> <p>3. The Company and its consolidated subsidiaries recognized impairment losses of ¥548 million on Available-for-sale securities with practically determinable fair value (comprised of ¥99 million on Stock and ¥448 million on Foreign securities).<br/>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.</p> |

## (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, 2014   | June 30, 2014    |
|-------------------------------------------------------------------|------------------|------------------|
| (Assets)                                                          |                  |                  |
| Cash, deposits and savings                                        | 188,728          | 113,857          |
| Call loans                                                        | 50,000           | 57,500           |
| Receivables under resale agreements                               | 23,997           | 72,491           |
| Monetary claims bought                                            | 65,781           | 89,821           |
| Money trusts                                                      | 10,371           | 10,700           |
| Investments in securities                                         | 4,502,619        | 4,628,200        |
| Loans                                                             | 538,224          | 531,918          |
| Tangible fixed assets                                             | 238,938          | 235,201          |
| Intangible fixed assets                                           | 40,101           | 37,716           |
| Other assets                                                      | 406,584          | 387,371          |
| Customers' liabilities under acceptances and guarantees           | 49,094           | 49,874           |
| Bad debt reserve                                                  | (16,423)         | (14,996)         |
| <b>Total assets</b>                                               | <b>6,098,017</b> | <b>6,199,656</b> |
| (Liabilities)                                                     |                  |                  |
| <b>Policy liabilities:</b>                                        | <b>3,945,530</b> | <b>3,938,473</b> |
| Outstanding claims                                                | 652,310          | 647,712          |
| Underwriting reserves                                             | 3,293,219        | 3,290,761        |
| <b>Bonds issued</b>                                               | <b>176,185</b>   | <b>176,186</b>   |
| <b>Other liabilities:</b>                                         | <b>344,318</b>   | <b>356,393</b>   |
| Income taxes payable                                              | 4,890            | 10,156           |
| Lease obligations                                                 | 1,706            | 1,471            |
| Asset retirement obligations                                      | 4,634            | 4,659            |
| Other liabilities                                                 | 333,087          | 340,105          |
| <b>Reserve for pension and retirement benefits</b>                | <b>139,895</b>   | <b>141,529</b>   |
| <b>Reserve for retirement benefits for officers</b>               | <b>1,070</b>     | <b>1,010</b>     |
| <b>Accrued bonuses for employees</b>                              | <b>11,249</b>    | <b>112</b>       |
| <b>Reserves under the special laws:</b>                           | <b>19,731</b>    | <b>20,379</b>    |
| Reserve for price fluctuation                                     | 19,731           | 20,379           |
| <b>Deferred tax liabilities</b>                                   | <b>101,331</b>   | <b>129,895</b>   |
| <b>Acceptances and guarantees</b>                                 | <b>49,094</b>    | <b>49,874</b>    |
| <b>Total liabilities</b>                                          | <b>4,788,409</b> | <b>4,813,855</b> |
| (Net assets)                                                      |                  |                  |
| <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>240,357</b>   | <b>248,615</b>   |
| <b>Total shareholders' equity</b>                                 | <b>473,061</b>   | <b>481,319</b>   |
| <b>Net unrealized gains/(losses) on investments in securities</b> | <b>813,116</b>   | <b>877,656</b>   |
| <b>Net deferred gains/(losses) on hedges</b>                      | <b>23,430</b>    | <b>26,824</b>    |
| <b>Total valuation and translation adjustments</b>                | <b>836,547</b>   | <b>904,481</b>   |
| <b>Total net assets</b>                                           | <b>1,309,608</b> | <b>1,385,800</b> |
| <b>Total liabilities and net assets</b>                           | <b>6,098,017</b> | <b>6,199,656</b> |

**Non-Consolidated Statements of Income**

(Yen in millions)

| Items                                                                | Three months ended<br>June 30, 2013 | Three months ended<br>June 30, 2014 |
|----------------------------------------------------------------------|-------------------------------------|-------------------------------------|
| <b>Ordinary income:</b>                                              | <b>464,024</b>                      | <b>434,784</b>                      |
| <b>Underwriting income:</b>                                          | <b>412,667</b>                      | <b>401,020</b>                      |
| Net premiums written                                                 | 337,713                             | 354,994                             |
| Deposit premiums from policyholders                                  | 27,133                              | 28,988                              |
| Investment income on deposit premiums from policyholders             | 10,404                              | 9,961                               |
| Reversal of outstanding claims                                       | 11,020                              | 4,598                               |
| Reversal of underwriting reserves                                    | 26,369                              | 2,458                               |
| <b>Investment income:</b>                                            | <b>50,760</b>                       | <b>32,296</b>                       |
| Interest and dividends income                                        | 40,328                              | 36,064                              |
| Investment gains on money trusts                                     | 184                                 | 334                                 |
| Gains on sales of securities                                         | 15,426                              | 3,596                               |
| Gains on derivative transactions                                     | 4,281                               | 1,816                               |
| Transfer of investment income on deposit premiums from policyholders | (10,404)                            | (9,961)                             |
| <b>Other ordinary income</b>                                         | <b>596</b>                          | <b>1,467</b>                        |
| <b>Ordinary expenses:</b>                                            | <b>397,327</b>                      | <b>399,722</b>                      |
| <b>Underwriting expenses:</b>                                        | <b>340,393</b>                      | <b>338,049</b>                      |
| Net claims paid                                                      | 208,903                             | 205,168                             |
| Loss adjustment expenses                                             | 18,507                              | 21,705                              |
| Commissions and collection expenses                                  | 60,786                              | 64,174                              |
| Maturity refunds to policyholders                                    | 50,920                              | 45,792                              |
| <b>Investment expenses:</b>                                          | <b>2,203</b>                        | <b>4,469</b>                        |
| Investment losses on money trusts                                    | -                                   | 1                                   |
| Losses on sales of securities                                        | 399                                 | 8                                   |
| Impairment losses on securities                                      | 581                                 | 3,611                               |
| <b>Operating expenses and general and administrative expenses</b>    | <b>51,766</b>                       | <b>55,713</b>                       |
| <b>Other ordinary expenses:</b>                                      | <b>2,964</b>                        | <b>1,489</b>                        |
| Interest expense                                                     | 1,785                               | 1,471                               |
| <b>Ordinary profit</b>                                               | <b>66,697</b>                       | <b>35,062</b>                       |
| <b>Extraordinary income</b>                                          | <b>29</b>                           | <b>3,683</b>                        |
| <b>Extraordinary losses</b>                                          | <b>915</b>                          | <b>3,025</b>                        |
| <b>Income before income taxes</b>                                    | <b>65,811</b>                       | <b>35,720</b>                       |
| <b>Income taxes</b>                                                  | <b>16,975</b>                       | <b>11,263</b>                       |
| <b>Net income</b>                                                    | <b>48,836</b>                       | <b>24,456</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, 2014 | June 30, 2014 |
|---------------------------------------------------------------------------------------------|----------------|---------------|
| (A) Total amount of solvency margin                                                         | 2,120,694      | 2,237,836     |
| Total net assets                                                                            | 456,862        | 481,319       |
| Reserve for price fluctuation                                                               | 19,731         | 20,379        |
| Contingency reserve                                                                         | 175            | 219           |
| Catastrophe reserve                                                                         | 410,755        | 409,014       |
| General bad debt reserve                                                                    | 1,420          | 1,385         |
| Net unrealized gains/(losses) on investments in securities (prior to tax effect deductions) | 1,054,940      | 1,138,427     |
| Net unrealized gains/(losses) on land                                                       | 31,656         | 30,998        |
| Excess of policyholders' contract deposits (a)                                              | -              | -             |
| Subordinated debts, etc. (b)                                                                | 106,191        | 106,191       |
| Amount excluded from the margin, out of (a) and (b)                                         | -              | -             |
| Deductions                                                                                  | 43,155         | 43,157        |
| Others                                                                                      | 82,117         | 93,059        |
| (B) Total amount of risks $\sqrt{(R_1 + R_2)^2 + (R_3 + R_4)^2} + R_5 + R_6$                | 706,497        | 735,714       |
| General insurance risk ( $R_1$ )                                                            | 113,474        | 113,859       |
| Insurance risk of third sector insurance contracts ( $R_2$ )                                | -              | -             |
| Assumed interest rate risk ( $R_3$ )                                                        | 19,248         | 18,954        |
| Asset management risk ( $R_4$ )                                                             | 527,293        | 541,740       |
| Business administration risk ( $R_5$ )                                                      | 15,849         | 16,433        |
| Catastrophe risk ( $R_6$ )                                                                  | 132,450        | 147,141       |
| (C) Solvency margin ratio<br>$[(A) / \{(B) \times 1/2\}] \times 100$                        | 600.3%         | 608.3%        |

(Note) The non-consolidated solvency margin ratio for June 30, 2014 is calculated by partially applying the simplified method where components such as the catastrophe risk ( $R_6$ ) are calculated based on the data used for March 31, 2014.

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

(Yen in millions)

| Items                                                             | March 31, 2014   | June 30, 2014    |
|-------------------------------------------------------------------|------------------|------------------|
| (Assets)                                                          |                  |                  |
| Cash, deposits and savings                                        | 81,958           | 79,455           |
| Call loans                                                        | 21,000           | 22,000           |
| Monetary claims bought                                            | 477              | 306              |
| Money trusts                                                      | 2,310            | 2,278            |
| Investments in securities                                         | 2,365,453        | 2,392,565        |
| Loans                                                             | 220,015          | 220,397          |
| Tangible fixed assets                                             | 183,620          | 182,862          |
| Intangible fixed assets                                           | 33,390           | 31,900           |
| Other assets                                                      | 222,050          | 236,611          |
| Prepaid pension expenses                                          | 43,472           | 43,876           |
| Deferred tax assets                                               | 78,076           | 63,164           |
| Customers' liabilities under acceptances and guarantees           | 7,500            | 7,500            |
| Bad debt reserve                                                  | (2,146)          | (2,136)          |
| <b>Total assets</b>                                               | <b>3,257,180</b> | <b>3,280,783</b> |
| (Liabilities)                                                     |                  |                  |
| <b>Policy liabilities:</b>                                        | <b>2,420,418</b> | <b>2,373,028</b> |
| Outstanding claims                                                | 510,416          | 486,254          |
| Underwriting reserves                                             | 1,910,002        | 1,886,773        |
| <b>Bonds issued</b>                                               | <b>50,000</b>    | <b>50,000</b>    |
| <b>Other liabilities:</b>                                         | <b>153,051</b>   | <b>165,210</b>   |
| Income taxes payable                                              | 2,790            | 15,262           |
| Lease obligations                                                 | 328              | 298              |
| Asset retirement obligations                                      | 558              | 557              |
| Other liabilities                                                 | 149,374          | 149,091          |
| <b>Reserve for pension and retirement benefits</b>                | <b>13,775</b>    | <b>14,736</b>    |
| <b>Accrued bonuses for employees</b>                              | <b>5,962</b>     | <b>179</b>       |
| <b>Reserve for Reorganization by Function</b>                     | <b>3,040</b>     | <b>2,296</b>     |
| <b>Reserves under the special laws:</b>                           | <b>3,239</b>     | <b>3,636</b>     |
| Reserve for price fluctuation                                     | 3,239            | 3,636            |
| <b>Acceptances and guarantees</b>                                 | <b>7,500</b>     | <b>7,500</b>     |
| <b>Total liabilities</b>                                          | <b>2,656,987</b> | <b>2,616,588</b> |
| (Net assets)                                                      |                  |                  |
| <b>Common stock</b>                                               | <b>100,005</b>   | <b>100,005</b>   |
| <b>Capital surplus</b>                                            | <b>81,210</b>    | <b>81,210</b>    |
| <b>Retained earnings</b>                                          | <b>197,397</b>   | <b>227,707</b>   |
| <b>Total shareholders' equity</b>                                 | <b>378,612</b>   | <b>408,922</b>   |
| <b>Net unrealized gains/(losses) on investments in securities</b> | <b>221,580</b>   | <b>255,272</b>   |
| <b>Total valuation and translation adjustments</b>                | <b>221,580</b>   | <b>255,272</b>   |
| <b>Total net assets</b>                                           | <b>600,192</b>   | <b>664,195</b>   |
| <b>Total liabilities and net assets</b>                           | <b>3,257,180</b> | <b>3,280,783</b> |

**Non-Consolidated Statements of Income**

(Yen in millions)

| Items                                                                | Three months ended<br>June 30, 2013 | Three months ended<br>June 30, 2014 |
|----------------------------------------------------------------------|-------------------------------------|-------------------------------------|
| <b>Ordinary income:</b>                                              | <b>343,453</b>                      | <b>368,201</b>                      |
| <b>Underwriting income:</b>                                          | <b>316,880</b>                      | <b>351,160</b>                      |
| Net premiums written                                                 | 281,492                             | 289,818                             |
| Deposit premiums from policyholders                                  | 9,242                               | 9,188                               |
| Investment income on deposit premiums from policyholders             | 4,895                               | 4,702                               |
| Reversal of outstanding claims                                       | 5,066                               | 24,161                              |
| Reversal of underwriting reserves                                    | 14,912                              | 23,228                              |
| <b>Investment income:</b>                                            | <b>26,038</b>                       | <b>15,972</b>                       |
| Interest and dividends income                                        | 23,695                              | 17,741                              |
| Investment gains on money trusts                                     | 0                                   | 0                                   |
| Gains on sales of securities                                         | 6,833                               | 2,908                               |
| Gains on derivative transactions                                     | 321                                 | -                                   |
| Transfer of investment income on deposit premiums from policyholders | (4,895)                             | (4,702)                             |
| <b>Other ordinary income</b>                                         | <b>534</b>                          | <b>1,068</b>                        |
| <b>Ordinary expenses:</b>                                            | <b>305,852</b>                      | <b>323,428</b>                      |
| <b>Underwriting expenses:</b>                                        | <b>254,992</b>                      | <b>270,885</b>                      |
| Net claims paid                                                      | 170,094                             | 181,334                             |
| Loss adjustment expenses                                             | 12,492                              | 13,257                              |
| Commissions and collection expenses                                  | 52,424                              | 55,816                              |
| Maturity refunds to policyholders                                    | 19,514                              | 19,663                              |
| <b>Investment expenses:</b>                                          | <b>3,483</b>                        | <b>2,361</b>                        |
| Losses on sales of securities                                        | 387                                 | 1,700                               |
| Impairment losses on securities                                      | 2,428                               | 223                                 |
| Losses on derivative transactions                                    | -                                   | 373                                 |
| <b>Operating expenses and general and administrative expenses</b>    | <b>47,100</b>                       | <b>49,900</b>                       |
| <b>Other ordinary expenses:</b>                                      | <b>275</b>                          | <b>281</b>                          |
| Interest expense                                                     | 188                                 | 188                                 |
| <b>Ordinary profit</b>                                               | <b>37,600</b>                       | <b>44,773</b>                       |
| <b>Extraordinary income</b>                                          | <b>25</b>                           | <b>10,033</b>                       |
| <b>Extraordinary losses</b>                                          | <b>511</b>                          | <b>563</b>                          |
| <b>Income before income taxes</b>                                    | <b>37,113</b>                       | <b>54,243</b>                       |
| <b>Income taxes</b>                                                  | <b>9,937</b>                        | <b>14,833</b>                       |
| <b>Net income</b>                                                    | <b>27,176</b>                       | <b>39,409</b>                       |

**Non-Consolidated Solvency Margin Ratio**

(Yen in millions)

|                                                                                             | March 31, 2014 | June 30, 2014 |
|---------------------------------------------------------------------------------------------|----------------|---------------|
| (A) Total amount of solvency margin                                                         | 1,027,044      | 1,111,402     |
| Total net assets                                                                            | 369,512        | 408,922       |
| Reserve for price fluctuation                                                               | 3,239          | 3,636         |
| Contingency reserve                                                                         | 747            | 760           |
| Catastrophe reserve                                                                         | 257,490        | 240,873       |
| General bad debt reserve                                                                    | 418            | 432           |
| Net unrealized gains/(losses) on investments in securities (prior to tax effect deductions) | 287,683        | 331,427       |
| Net unrealized gains/(losses) on land                                                       | 2,038          | 2,009         |
| Excess of policyholders' contract deposits (a)                                              | -              | -             |
| Subordinated debts, etc. (b)                                                                | 50,000         | 50,000        |
| Amount excluded from the margin, out of (a) and (b)                                         | -              | -             |
| Deductions                                                                                  | 9,952          | 9,954         |
| Others                                                                                      | 65,866         | 83,293        |
| (B) Total amount of risks $\sqrt{(R_1 + R_2)^2 + (R_3 + R_4)^2} + R_5 + R_6$                | 272,396        | 281,263       |
| General insurance risk ( $R_1$ )                                                            | 101,281        | 101,437       |
| Insurance risk of third sector insurance contracts ( $R_2$ )                                | -              | -             |
| Assumed interest rate risk ( $R_3$ )                                                        | 9,911          | 9,784         |
| Asset management risk ( $R_4$ )                                                             | 179,721        | 186,567       |
| Business administration risk ( $R_5$ )                                                      | 6,829          | 7,020         |
| Catastrophe risk ( $R_6$ )                                                                  | 50,581         | 53,237        |
| (C) Solvency margin ratio<br>$[(A) / \{(B) \times 1/2\}] \times 100$                        | 754.0%         | 790.2%        |

(Note) The non-consolidated solvency margin ratio for June 30, 2014 is calculated by partially applying the simplified method where components such as the catastrophe risk ( $R_6$ ) are calculated based on the data used for March 31, 2014.

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

Non-Consolidated Balance Sheets

(Yen in millions)

| Items                                                             | March 31, 2014  | June 30, 2014   |
|-------------------------------------------------------------------|-----------------|-----------------|
| (Assets)                                                          |                 |                 |
| <b>Cash, deposits and savings</b>                                 | <b>3,319</b>    | <b>3,208</b>    |
| <b>Investments in securities</b>                                  | <b>35,104</b>   | <b>35,694</b>   |
| <b>Tangible fixed assets</b>                                      | <b>212</b>      | <b>198</b>      |
| <b>Intangible fixed assets</b>                                    | <b>2,073</b>    | <b>2,042</b>    |
| <b>Other assets</b>                                               | <b>5,878</b>    | <b>5,221</b>    |
| <b>Bad debt reserve</b>                                           | <b>(3)</b>      | <b>(2)</b>      |
| <b>Total assets</b>                                               | <b>46,584</b>   | <b>46,362</b>   |
| (Liabilities)                                                     |                 |                 |
| <b>Policy liabilities:</b>                                        | <b>34,079</b>   | <b>32,947</b>   |
| Outstanding claims                                                | 14,582          | 14,497          |
| Underwriting reserves                                             | 19,497          | 18,450          |
| <b>Other liabilities:</b>                                         | <b>988</b>      | <b>1,029</b>    |
| Income taxes payable                                              | 99              | 49              |
| Asset retirement obligations                                      | 12              | 12              |
| Other liabilities                                                 | 876             | 966             |
| <b>Accrued bonuses for employees</b>                              | <b>214</b>      | <b>-</b>        |
| <b>Reserves under the special laws:</b>                           | <b>34</b>       | <b>36</b>       |
| Reserve for price fluctuation                                     | 34              | 36              |
| <b>Deferred tax liabilities</b>                                   | <b>44</b>       | <b>31</b>       |
| <b>Total liabilities</b>                                          | <b>35,360</b>   | <b>34,044</b>   |
| (Net assets)                                                      |                 |                 |
| <b>Common stock</b>                                               | <b>32,600</b>   | <b>32,600</b>   |
| <b>Capital surplus</b>                                            | <b>2,500</b>    | <b>2,500</b>    |
| <b>Retained earnings</b>                                          | <b>(24,054)</b> | <b>(22,930)</b> |
| <b>Total shareholders' equity</b>                                 | <b>11,045</b>   | <b>12,169</b>   |
| <b>Net unrealized gains/(losses) on investments in securities</b> | <b>178</b>      | <b>148</b>      |
| <b>Total valuation and translation adjustments</b>                | <b>178</b>      | <b>148</b>      |
| <b>Total net assets</b>                                           | <b>11,223</b>   | <b>12,318</b>   |
| <b>Total liabilities and net assets</b>                           | <b>46,584</b>   | <b>46,362</b>   |

**Non-Consolidated Statements of Income**

(Yen in millions)

| Items                                                                | Three months ended<br>June 30, 2013 | Three months ended<br>June 30, 2014 |
|----------------------------------------------------------------------|-------------------------------------|-------------------------------------|
| <b>Ordinary income:</b>                                              | <b>9,953</b>                        | <b>9,816</b>                        |
| <b>Underwriting income:</b>                                          | <b>9,919</b>                        | <b>9,782</b>                        |
| Net premiums written                                                 | 8,965                               | 8,645                               |
| Investment income on deposit premiums from policyholders             | 3                                   | 4                                   |
| Reversal of outstanding claims                                       | 240                                 | 85                                  |
| Reversal of underwriting reserves                                    | 710                                 | 1,046                               |
| <b>Investment income:</b>                                            | <b>32</b>                           | <b>31</b>                           |
| Interest and dividends income                                        | 35                                  | 36                                  |
| Transfer of investment income on deposit premiums from policyholders | (3)                                 | (4)                                 |
| <b>Other ordinary income</b>                                         | <b>1</b>                            | <b>2</b>                            |
| <b>Ordinary expenses:</b>                                            | <b>8,764</b>                        | <b>8,685</b>                        |
| <b>Underwriting expenses:</b>                                        | <b>6,854</b>                        | <b>6,744</b>                        |
| Net claims paid                                                      | 6,209                               | 6,059                               |
| Loss adjustment expenses                                             | 593                                 | 638                                 |
| Commissions and collection expenses                                  | 51                                  | 46                                  |
| <b>Investment expenses</b>                                           | <b>-</b>                            | <b>-</b>                            |
| <b>Operating expenses and general and administrative expenses</b>    | <b>1,909</b>                        | <b>1,940</b>                        |
| <b>Other ordinary expenses</b>                                       | <b>0</b>                            | <b>0</b>                            |
| <b>Ordinary profit</b>                                               | <b>1,188</b>                        | <b>1,131</b>                        |
| <b>Extraordinary income</b>                                          | <b>-</b>                            | <b>-</b>                            |
| <b>Extraordinary losses</b>                                          | <b>1</b>                            | <b>2</b>                            |
| <b>Income before income taxes</b>                                    | <b>1,187</b>                        | <b>1,128</b>                        |
| <b>Income taxes - current</b>                                        | <b>12</b>                           | <b>4</b>                            |
| <b>Total income taxes</b>                                            | <b>12</b>                           | <b>4</b>                            |
| <b>Net income</b>                                                    | <b>1,175</b>                        | <b>1,123</b>                        |

**Non-Consolidated Solvency Margin Ratio**

(Yen in millions)

|                                                                                             | March 31, 2014 | June 30, 2014 |
|---------------------------------------------------------------------------------------------|----------------|---------------|
| (A) Total amount of solvency margin                                                         | 12,460         | 12,702        |
| Total net assets                                                                            | 11,045         | 12,169        |
| Reserve for price fluctuation                                                               | 34             | 36            |
| Contingency reserve                                                                         | 0              | 0             |
| Catastrophe reserve                                                                         | 1,147          | 302           |
| General bad debt reserve                                                                    | 1              | 1             |
| Net unrealized gains/(losses) on investments in securities (prior to tax effect deductions) | 231            | 192           |
| 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 $\sqrt{(R_1 + R_2)^2 + (R_3 + R_4)^2} + R_5 + R_6$                | 5,921          | 5,922         |
| General insurance risk ( $R_1$ )                                                            | 5,378          | 5,378         |
| Insurance risk of third sector insurance contracts ( $R_2$ )                                | -              | -             |
| Assumed interest rate risk ( $R_3$ )                                                        | 0              | 0             |
| Asset management risk ( $R_4$ )                                                             | 735            | 746           |
| Business administration risk ( $R_5$ )                                                      | 192            | 192           |
| Catastrophe risk ( $R_6$ )                                                                  | 300            | 300           |
| (C) Solvency margin ratio<br>$[(A) / \{(B) \times 1/2\}] \times 100$                        | 420.8%         | 428.9%        |

(Note) The non-consolidated solvency margin ratio for June 30, 2014 is calculated by partially applying the simplified method to components such as the assumed interest rate risk ( $R_3$ ).

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

**Non-Consolidated Balance Sheets**

(Yen in millions)

| Items                                                             | March 31, 2014   | June 30, 2014    |
|-------------------------------------------------------------------|------------------|------------------|
| <b>(Assets)</b>                                                   |                  |                  |
| Cash, deposits and savings                                        | 30,830           | 18,861           |
| Call loans                                                        | 458              | 199              |
| Receivables under securities borrowing transactions               | 228,706          | 266,476          |
| Investments in securities                                         | 2,285,544        | 2,341,687        |
| Loans                                                             | 49,470           | 49,364           |
| Tangible fixed assets                                             | 1,882            | 1,695            |
| Intangible fixed assets                                           | 4,039            | 15,288           |
| Due from agencies                                                 | 225              | 264              |
| Reinsurance accounts receivable                                   | 694              | 8                |
| Other assets                                                      | 34,279           | 35,295           |
| Bad debt reserve                                                  | (78)             | (72)             |
| <b>Total assets</b>                                               | <b>2,636,052</b> | <b>2,729,069</b> |
| <b>(Liabilities)</b>                                              |                  |                  |
| <b>Policy liabilities:</b>                                        | <b>2,242,550</b> | <b>2,292,629</b> |
| Outstanding claims                                                | 21,204           | 22,164           |
| Underwriting reserves                                             | 2,214,832        | 2,263,465        |
| Reserve for dividends to policyholders                            | 6,514            | 6,999            |
| <b>Due to agencies</b>                                            | <b>5,281</b>     | <b>4,270</b>     |
| <b>Reinsurance accounts payable</b>                               | <b>282</b>       | <b>184</b>       |
| <b>Other liabilities:</b>                                         | <b>238,290</b>   | <b>272,262</b>   |
| Payables under securities lending transactions                    | 229,164          | 266,665          |
| Income taxes payable                                              | 2,120            | 737              |
| Lease obligations                                                 | 751              | 699              |
| Asset retirement obligations                                      | 364              | 366              |
| Other liabilities                                                 | 5,889            | 3,794            |
| <b>Reserve for pension and retirement benefits</b>                | <b>1,609</b>     | <b>1,688</b>     |
| <b>Reserve for retirement benefits for officers</b>               | <b>50</b>        | <b>48</b>        |
| <b>Reserves under the special laws:</b>                           | <b>3,912</b>     | <b>4,044</b>     |
| Reserve for price fluctuation                                     | 3,912            | 4,044            |
| <b>Deferred tax liabilities</b>                                   | <b>12,075</b>    | <b>14,662</b>    |
| <b>Total liabilities</b>                                          | <b>2,504,052</b> | <b>2,589,790</b> |
| <b>(Net assets)</b>                                               |                  |                  |
| <b>Common stock</b>                                               | <b>35,500</b>    | <b>35,500</b>    |
| <b>Capital surplus</b>                                            | <b>43,688</b>    | <b>43,688</b>    |
| <b>Retained earnings</b>                                          | <b>(8,908)</b>   | <b>(7,459)</b>   |
| <b>Total shareholders' equity</b>                                 | <b>70,279</b>    | <b>71,728</b>    |
| <b>Net unrealized gains/(losses) on investments in securities</b> | <b>61,719</b>    | <b>67,550</b>    |
| <b>Total valuation and translation adjustments</b>                | <b>61,719</b>    | <b>67,550</b>    |
| <b>Total net assets</b>                                           | <b>131,999</b>   | <b>139,279</b>   |
| <b>Total liabilities and net assets</b>                           | <b>2,636,052</b> | <b>2,729,069</b> |

**Non-Consolidated Statements of Income**

(Yen in millions)

| Items                                                                    | Three months ended<br>June 30, 2013 | Three months ended<br>June 30, 2014 |
|--------------------------------------------------------------------------|-------------------------------------|-------------------------------------|
| <b>Ordinary income:</b>                                                  | <b>106,879</b>                      | <b>113,784</b>                      |
| <b>Insurance premiums and others:</b>                                    | <b>96,272</b>                       | <b>103,662</b>                      |
| Insurance premiums                                                       | 96,243                              | 103,647                             |
| <b>Investment income:</b>                                                | <b>10,377</b>                       | <b>9,894</b>                        |
| Interest and dividends income                                            | 9,002                               | 9,596                               |
| Gains on sales of securities                                             | 1,374                               | 291                                 |
| <b>Other ordinary income</b>                                             | <b>229</b>                          | <b>228</b>                          |
| <b>Ordinary expenses:</b>                                                | <b>101,717</b>                      | <b>109,589</b>                      |
| <b>Insurance claims and others:</b>                                      | <b>39,641</b>                       | <b>39,266</b>                       |
| Insurance claims                                                         | 10,400                              | 8,488                               |
| Annuity payments                                                         | 2,023                               | 2,562                               |
| Benefits                                                                 | 2,787                               | 2,926                               |
| Surrender benefits                                                       | 23,560                              | 24,154                              |
| Other refunds                                                            | 569                                 | 819                                 |
| <b>Provision for underwriting reserves and others:</b>                   | <b>43,288</b>                       | <b>49,593</b>                       |
| Provision for outstanding claims                                         | 1,086                               | 960                                 |
| Provision for underwriting reserves                                      | 42,202                              | 48,633                              |
| Provision for interest portion of reserve for dividends to policyholders | 0                                   | 0                                   |
| <b>Investment expenses:</b>                                              | <b>163</b>                          | <b>84</b>                           |
| Interest expense                                                         | 74                                  | 71                                  |
| Losses on sales of securities                                            | 81                                  | 0                                   |
| Losses on derivative transactions                                        | -                                   | 3                                   |
| <b>Operating expenses</b>                                                | <b>16,920</b>                       | <b>18,182</b>                       |
| <b>Other ordinary expenses</b>                                           | <b>1,702</b>                        | <b>2,462</b>                        |
| <b>Ordinary profit</b>                                                   | <b>5,162</b>                        | <b>4,195</b>                        |
| <b>Extraordinary income</b>                                              | <b>1</b>                            | <b>3</b>                            |
| <b>Extraordinary losses</b>                                              | <b>124</b>                          | <b>145</b>                          |
| <b>Provision for reserve for dividends to policyholders</b>              | <b>1,822</b>                        | <b>1,877</b>                        |
| <b>Income before income taxes</b>                                        | <b>3,217</b>                        | <b>2,175</b>                        |
| <b>Income taxes</b>                                                      | <b>1,079</b>                        | <b>727</b>                          |
| <b>Net income</b>                                                        | <b>2,137</b>                        | <b>1,448</b>                        |

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

## (1) Policies in force

(Yen in millions)

|                      | March 31, 2014                       |            | June 30, 2014                        |            |
|----------------------|--------------------------------------|------------|--------------------------------------|------------|
|                      | Number of policies<br>(in thousands) | Amount     | Number of policies<br>(in thousands) | Amount     |
| Individual insurance | 2,406                                | 20,317,959 | 2,453                                | 20,510,348 |
| Individual annuities | 187                                  | 787,086    | 187                                  | 785,516    |
| Group insurance      | –                                    | 5,124,978  | –                                    | 5,221,070  |
| Group annuities      | –                                    | 399        | –                                    | 396        |

(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 millions)

|                      | Three months ended June 30, 2013        |         |              |                               | Three months ended June 30, 2014        |         |              |                               |
|----------------------|-----------------------------------------|---------|--------------|-------------------------------|-----------------------------------------|---------|--------------|-------------------------------|
|                      | Number of<br>policies<br>(in thousands) | Amount  | New policies | Net increase<br>by conversion | Number of<br>policies<br>(in thousands) | Amount  | New policies | Net increase<br>by conversion |
| Individual insurance | 53                                      | 599,337 | 599,337      | –                             | 83                                      | 598,375 | 598,375      | –                             |
| Individual annuities | 2                                       | 25,778  | 25,778       | –                             | 2                                       | 14,296  | 14,296       | –                             |
| Group insurance      | –                                       | 16,915  | 16,915       | –                             | –                                       | 46,065  | 46,065       | –                             |
| Group annuities      | –                                       | –       | –            | –                             | –                                       | –       | –            | –                             |

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

**Annualized Premiums**

## (1) Policies in force

(Yen in millions)

|                                            | March 31, 2014 | June 30, 2014 |
|--------------------------------------------|----------------|---------------|
| Individual insurance                       | 291,663        | 295,678       |
| Individual annuities                       | 44,191         | 44,164        |
| Total:                                     | 335,854        | 339,842       |
| Medical coverage,<br>living benefits, etc. | 61,175         | 63,346        |

## (2) New policies

(Yen in millions)

|                                            | Three months ended<br>June 30, 2013 | Three months ended<br>June 30, 2014 |
|--------------------------------------------|-------------------------------------|-------------------------------------|
| Individual insurance                       | 7,671                               | 10,194                              |
| Individual annuities                       | 1,303                               | 779                                 |
| Total:                                     | 8,974                               | 10,973                              |
| Medical coverage,<br>living benefits, etc. | 1,712                               | 3,434                               |

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

2. "Medical coverage, living benefits, etc." 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<br>June 30, 2013 | Three months ended<br>June 30, 2014 | Change  |
|---------------------------------------------------------|-------------------------------------|-------------------------------------|---------|
| Fundamental revenues:                                   | 105,506                             | 113,489                             | 7,982   |
| Insurance premiums and others                           | 96,272                              | 103,662                             | 7,390   |
| Fundamental expenses                                    | 101,635                             | 109,020                             | 7,384   |
| Fundamental profit                                      | 3,871                               | 4,469                               | 597     |
| Capital gains/(losses)                                  | 1,292                               | 286                                 | (1,006) |
| Non-recurring gains/(losses)                            | (2)                                 | (560)                               | (558)   |
| Ordinary profit                                         | 5,162                               | 4,195                               | (967)   |
| Extraordinary income                                    | 1                                   | 3                                   | 1       |
| Extraordinary losses                                    | 124                                 | 145                                 | 21      |
| Provision for reserve for dividends to<br>policyholders | 1,822                               | 1,877                               | 54      |
| Income taxes                                            | 1,079                               | 727                                 | (352)   |
| Net income                                              | 2,137                               | 1,448                               | (688)   |

**Non-Consolidated Solvency Margin Ratio**

(Yen in millions)

|                                                                              | March 31, 2014 | June 30, 2014 |
|------------------------------------------------------------------------------|----------------|---------------|
| (A) Total amount of solvency margin                                          | 276,449        | 288,347       |
| Total capital                                                                | 70,279         | 71,728        |
| Reserve for price fluctuation                                                | 3,912          | 4,044         |
| Contingency reserve                                                          | 23,652         | 24,217        |
| General bad debt reserve                                                     | 12             | 11            |
| Net unrealized gains/(losses) on investments in securities x 90%             | 80,190         | 87,766        |
| Net unrealized gains/(losses) on land x 85%                                  | -              | -             |
| Excess of continued Zillmerized reserve (a)                                  | 128,068        | 129,238       |
| Subordinated debts, etc. (b)                                                 | -              | -             |
| Amount excluded from the margin, out of (a) and (b)                          | (29,945)       | (28,953)      |
| Brought in capital                                                           | -              | -             |
| Deductions                                                                   | -              | -             |
| Others                                                                       | 277            | 295           |
| (B) Total amount of risks $\sqrt{(R_1 + R_8)^2 + (R_2 + R_3 + R_7)^2} + R_4$ | 43,710         | 44,601        |
| Insurance risk ( $R_1$ )                                                     | 14,298         | 14,453        |
| Insurance risk of third sector insurance contracts ( $R_8$ )                 | 6,082          | 6,447         |
| Assumed interest rate risk ( $R_2$ )                                         | 2,958          | 2,973         |
| Minimum guarantee risk ( $R_7$ )                                             | -              | -             |
| Asset management risk ( $R_3$ )                                              | 33,761         | 34,436        |
| Business administration risk ( $R_4$ )                                       | 1,713          | 1,749         |
| (C) Solvency margin ratio<br>[(A) / {(B) x 1/2}] x 100                       | 1,264.9%       | 1,292.9%      |

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

**Non-Consolidated Balance Sheets**

(Yen in millions)

| Items                                                             | March 31, 2014   | June 30, 2014    |
|-------------------------------------------------------------------|------------------|------------------|
| (Assets)                                                          |                  |                  |
| <b>Cash, deposits and savings</b>                                 | <b>40,523</b>    | <b>29,529</b>    |
| <b>Call loans</b>                                                 | <b>7,191</b>     | <b>21,357</b>    |
| <b>Money trusts</b>                                               | <b>680,806</b>   | <b>682,487</b>   |
| <b>Investments in securities</b>                                  | <b>3,350,422</b> | <b>3,497,159</b> |
| <b>Loans</b>                                                      | <b>448</b>       | <b>412</b>       |
| <b>Tangible fixed assets</b>                                      | <b>945</b>       | <b>895</b>       |
| <b>Intangible fixed assets</b>                                    | <b>3,696</b>     | <b>3,708</b>     |
| <b>Reinsurance accounts receivable</b>                            | <b>269</b>       | <b>201</b>       |
| <b>Other assets</b>                                               | <b>45,368</b>    | <b>49,816</b>    |
| <b>Deferred tax assets</b>                                        | <b>34,002</b>    | <b>33,924</b>    |
| <b>Total assets</b>                                               | <b>4,163,675</b> | <b>4,319,493</b> |
| (Liabilities)                                                     |                  |                  |
| <b>Policy liabilities:</b>                                        | <b>3,993,094</b> | <b>4,158,322</b> |
| Outstanding claims                                                | 10,819           | 9,408            |
| Underwriting reserves                                             | 3,982,275        | 4,148,913        |
| <b>Due to agencies</b>                                            | <b>7,075</b>     | <b>5,502</b>     |
| <b>Reinsurance accounts payable</b>                               | <b>2,552</b>     | <b>2,645</b>     |
| <b>Other liabilities:</b>                                         | <b>31,610</b>    | <b>24,249</b>    |
| Income taxes payable                                              | 1,711            | -                |
| Lease obligations                                                 | 688              | 652              |
| Asset retirement obligations                                      | 125              | 125              |
| Other liabilities                                                 | 29,085           | 23,470           |
| <b>Reserves under the special laws:</b>                           | <b>40,136</b>    | <b>40,515</b>    |
| Reserve for price fluctuation                                     | 40,136           | 40,515           |
| <b>Total liabilities</b>                                          | <b>4,074,470</b> | <b>4,231,234</b> |
| (Net assets)                                                      |                  |                  |
| <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>22,669</b>    | <b>21,547</b>    |
| <b>Total shareholders' equity</b>                                 | <b>88,464</b>    | <b>87,342</b>    |
| <b>Net unrealized gains/(losses) on investments in securities</b> | <b>741</b>       | <b>916</b>       |
| <b>Total valuation and translation adjustments</b>                | <b>741</b>       | <b>916</b>       |
| <b>Total net assets</b>                                           | <b>89,205</b>    | <b>88,258</b>    |
| <b>Total liabilities and net assets</b>                           | <b>4,163,675</b> | <b>4,319,493</b> |

**Non-Consolidated Statements of Income**

(Yen in millions)

| Items                                                  | Three months ended<br>June 30, 2013 | Three months ended<br>June 30, 2014 |
|--------------------------------------------------------|-------------------------------------|-------------------------------------|
| <b>Ordinary income:</b>                                | <b>294,335</b>                      | <b>310,190</b>                      |
| <b>Insurance premiums and others:</b>                  | <b>122,878</b>                      | <b>227,277</b>                      |
| Insurance premiums                                     | 121,816                             | 226,773                             |
| <b>Investment income:</b>                              | <b>102,439</b>                      | <b>80,854</b>                       |
| Interest and dividends income                          | 385                                 | 8,482                               |
| Investment gains on money trusts                       | -                                   | 14,771                              |
| Gains on sales of securities                           | 0                                   | 0                                   |
| Investment gains on separate accounts                  | 102,053                             | 55,505                              |
| <b>Other ordinary income:</b>                          | <b>69,017</b>                       | <b>2,058</b>                        |
| Reversal of outstanding claims                         | 1,174                               | 1,410                               |
| Reversal of underwriting reserves                      | 67,243                              | -                                   |
| <b>Ordinary expenses:</b>                              | <b>284,580</b>                      | <b>309,247</b>                      |
| <b>Insurance claims and others:</b>                    | <b>236,130</b>                      | <b>124,799</b>                      |
| Insurance claims                                       | 14,241                              | 13,328                              |
| Annuity payments                                       | 11,639                              | 13,746                              |
| Benefits                                               | 49,110                              | 35,876                              |
| Surrender benefits                                     | 153,792                             | 53,275                              |
| Other refunds                                          | 276                                 | 758                                 |
| <b>Provision for underwriting reserves and others:</b> | <b>-</b>                            | <b>166,638</b>                      |
| Provision for underwriting reserves                    | -                                   | 166,638                             |
| <b>Investment expenses:</b>                            | <b>38,232</b>                       | <b>175</b>                          |
| Interest expense                                       | 0                                   | 0                                   |
| Investment losses on money trusts                      | 35,951                              | -                                   |
| Losses on derivative transactions                      | -                                   | 136                                 |
| <b>Operating expenses</b>                              | <b>9,193</b>                        | <b>15,546</b>                       |
| <b>Other ordinary expenses</b>                         | <b>1,024</b>                        | <b>2,086</b>                        |
| <b>Ordinary profit</b>                                 | <b>9,754</b>                        | <b>943</b>                          |
| <b>Extraordinary income</b>                            | <b>-</b>                            | <b>-</b>                            |
| <b>Extraordinary losses</b>                            | <b>228</b>                          | <b>380</b>                          |
| <b>Income before income taxes</b>                      | <b>9,525</b>                        | <b>563</b>                          |
| <b>Income taxes</b>                                    | <b>3,225</b>                        | <b>(314)</b>                        |
| <b>Net income</b>                                      | <b>6,299</b>                        | <b>877</b>                          |

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

## (1) Policies in force

(Yen in millions)

|                      | March 31, 2014                       |           | June 30, 2014                        |           |
|----------------------|--------------------------------------|-----------|--------------------------------------|-----------|
|                      | Number of policies<br>(in thousands) | Amount    | Number of policies<br>(in thousands) | Amount    |
| Individual insurance | 175                                  | 1,073,428 | 208                                  | 1,254,964 |
| Individual annuities | 365                                  | 2,950,965 | 360                                  | 2,922,271 |
| 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 millions)

|                      | Three months ended June 30, 2013     |        |              |                               | Three months ended June 30, 2014     |         |              |                               |
|----------------------|--------------------------------------|--------|--------------|-------------------------------|--------------------------------------|---------|--------------|-------------------------------|
|                      | Number of policies<br>(in thousands) | Amount | New policies | Net increase<br>by conversion | Number of policies<br>(in thousands) | Amount  | New policies | Net increase<br>by conversion |
| Individual insurance | 14                                   | 80,225 | 80,225       | -                             | 33                                   | 181,024 | 181,024      | -                             |
| Individual annuities | 5                                    | 35,319 | 35,319       | -                             | 6                                    | 37,757  | 37,757       | -                             |
| 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 millions)

|                                            | March 31, 2014 | June 30, 2014 |
|--------------------------------------------|----------------|---------------|
| Individual insurance                       | 70,148         | 81,651        |
| Individual annuities                       | 384,155        | 382,373       |
| Total:                                     | 454,303        | 464,025       |
| Medical coverage,<br>living benefits, etc. | 105            | 104           |

## (2) New policies

(Yen in millions)

|                                            | Three months ended<br>June 30, 2013 | Three months ended<br>June 30, 2014 |
|--------------------------------------------|-------------------------------------|-------------------------------------|
| Individual insurance                       | 5,288                               | 11,957                              |
| Individual annuities                       | 28,519                              | 33,217                              |
| Total:                                     | 33,808                              | 45,174                              |
| Medical coverage,<br>living benefits, etc. | -                                   | -                                   |

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

2. "Medical coverage, living benefits, etc." 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<br>June 30, 2013 | Three months ended<br>June 30, 2014 | Change   |
|---------------------------------------------------------|-------------------------------------|-------------------------------------|----------|
| Fundamental revenues:                                   | 303,975                             | 303,931                             | (43)     |
| Insurance premiums and others                           | 122,878                             | 227,277                             | 104,399  |
| Fundamental expenses                                    | 287,152                             | 305,114                             | 17,962   |
| Fundamental profit                                      | 16,822                              | (1,183)                             | (18,005) |
| Capital gains/(losses)                                  | (6,479)                             | 6,122                               | 12,601   |
| Non-recurring gains/(losses)                            | (588)                               | (3,995)                             | (3,407)  |
| Ordinary profit                                         | 9,754                               | 943                                 | (8,811)  |
| Extraordinary income                                    | -                                   | -                                   | -        |
| Extraordinary losses                                    | 228                                 | 380                                 | 151      |
| Provision for reserve for dividends to<br>policyholders | -                                   | -                                   | -        |
| Income taxes                                            | 3,225                               | (314)                               | (3,539)  |
| Net income                                              | 6,299                               | 877                                 | (5,422)  |

**Non-Consolidated Solvency Margin Ratio**

(Yen in millions)

|                                                                              | March 31, 2014 | June 30, 2014 |
|------------------------------------------------------------------------------|----------------|---------------|
| (A) Total amount of solvency margin                                          | 347,258        | 331,328       |
| Total capital                                                                | 86,464         | 87,342        |
| Reserve for price fluctuation                                                | 40,136         | 40,515        |
| Contingency reserve                                                          | 64,460         | 68,456        |
| General bad debt reserve                                                     | -              | -             |
| Net unrealized gains/(losses) on investments in securities x 90%             | 963            | 1,191         |
| Net unrealized gains/(losses) on land x 85%                                  | -              | -             |
| Excess of continued Zillmerized reserve (a)                                  | 146,219        | 124,419       |
| Subordinated debts, etc. (b)                                                 | -              | -             |
| Amount excluded from the margin, out of (a) and (b)                          | -              | -             |
| Brought in capital                                                           | -              | -             |
| Deductions                                                                   | -              | -             |
| Others                                                                       | 9,013          | 9,403         |
| (B) Total amount of risks $\sqrt{(R_1 + R_8)^2 + (R_2 + R_3 + R_7)^2} + R_4$ | 69,128         | 73,818        |
| Insurance risk ( $R_1$ )                                                     | 62             | 59            |
| Insurance risk of third sector insurance contracts ( $R_8$ )                 | 13             | 12            |
| Assumed interest rate risk ( $R_2$ )                                         | 26,207         | 29,771        |
| Minimum guarantee risk ( $R_7$ )                                             | 11,581         | 10,229        |
| Asset management risk ( $R_3$ )                                              | 29,982         | 32,368        |
| Business administration risk ( $R_4$ )                                       | 1,356          | 1,448         |
| (C) Solvency margin ratio<br>[(A) / {(B) x 1/2}] x 100                       | 1,004.6%       | 897.6%        |