

[Translation]

SUMMARY OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

May 20, 2015

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 hold the ordinary general meeting of shareholders: June 22, 2015
 Scheduled date to file the Securities Report: June 22, 2015
 Scheduled date to commence dividend payments: June 23, 2015
 Explanatory material for business results: Available
 IR Conference (for institutional investors and analysts): To be held

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

1. Consolidated Financial Highlights for the Year Ended March 31, 2015 (April 1, 2014 to March 31, 2015)

(1) Consolidated business performance (Yen in millions)

	Ordinary income		Ordinary profit/(loss)		Net income/(loss)	
Year ended March 31, 2015	4,689,658	7.5 %	287,061	50.9 %	136,247	45.8 %
Year ended March 31, 2014	4,362,754	1.1 %	190,259	26.6 %	93,451	11.8 %

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

(Note) Comprehensive income/(loss) For the year ended March 31, 2015: ¥ 807,972 million 150.3 %
 For the year ended March 31, 2014: ¥ 322,865 million (40.6) %

(Yen)

	Net income/(loss) per share - Basic	Net income/(loss) per share - Diluted	Return on equity	Ordinary profit/(loss) to total assets	Ordinary profit/(loss) to ordinary income
Year ended March 31, 2015	221.34	-	5.2 %	1.6 %	6.1 %
Year ended March 31, 2014	150.58	-	4.4 %	1.2 %	4.4 %

(Reference) Gains/(losses) on equity method investments For the year ended March 31, 2015: ¥ 1,302 million
 For the year ended March 31, 2014: ¥ (9,606) million

(2) Consolidated financial conditions (Yen in millions)

	Total assets	Net assets	Ratio of net assets less minority interests to total assets	Net assets less minority interests per share (Yen)
March 31, 2015	18,787,654	3,036,246	16.0 %	4,911.40
March 31, 2014	16,878,148	2,285,832	13.4 %	3,646.22

(Reference) Net assets less minority interests As of March 31, 2015: ¥ 3,006,712 million
 As of March 31, 2014: ¥ 2,260,324 million

(3) Consolidated cash flows (Yen in millions)

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Ending balance of cash and cash equivalents
Year ended March 31, 2015	628,184	(410,671)	(58,941)	805,455
Year ended March 31, 2014	489,950	(549,136)	(57,323)	625,084

2. Dividends

	Dividends per share (Yen)					Total annual dividends (Yen in millions)	Dividend pay-out ratio (Consolidated)	Dividends on net assets (Consolidated)
	1st quarter	2nd quarter	3rd quarter	4th quarter	Annual total			
Year ended March 31, 2014	-	28.00	-	28.00	56.00	34,715	37.2 %	1.6 %
Year ended March 31, 2015	-	29.00	-	36.00	65.00	39,900	29.4 %	1.5 %
Year ending March 31, 2016 (Forecast)	-	35.00	-	35.00	70.00		27.3 %	

3. Consolidated Earnings Forecasts for the Year Ending March 31, 2016 (April 1, 2015 to March 31, 2016)

(Yen in millions)

	Ordinary profit		Net income attributable to owners of the parent		Net income attributable to owners of the parent per share (Yen)
Year ending March 31, 2016	242,000	(15.7) %	157,000	15.2 %	256.45

Percent figures represent changes from the preceding year.

*** Notes**

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

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

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

2. Changes in accounting policies other than above: Yes

3. Changes in accounting estimates: None

4. Restatements: None

(Note) For details, please refer to “(5) Notes to Consolidated Financial Statements (Changes in Accounting Policies)” on page 15 of the Appendix.

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

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

As of March 31, 2015: 633,291,754 shares

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

2. Number of shares of treasury stock

As of March 31, 2015: 21,101,354 shares

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

3. Average number of shares of outstanding stock

For the year ended March 31, 2015: 615,548,729 shares

For the year ended March 31, 2014: 620,603,768 shares

*** Disclosure regarding the execution of the audit process**

This report is outside the scope of the external auditor's audit process required by “Financial Instruments and Exchange Act” and the audit process for the consolidated and non-consolidated financial statements under “Financial Instruments and Exchange Act” has not 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. For key assumptions of the earnings forecasts and other relevant information, please refer to “Consolidated Earnings Forecasts for the Year Ending March 31, 2016” on page 3 of the Appendix. The forecasts of consolidated ordinary income for the fiscal year and consolidated earnings for the second quarter (cumulative) are not disclosed due to difficulties in calculating reasonable forecast figures stemming from a high susceptibility to natural disasters and market conditions.

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[Attachment]

Explanatory Material for Business Results for the Year Ended March 31, 2015

1. Analysis of Business Performance and Financial Conditions

(1) Analysis of Business Performance

(Business performance in the fiscal year under review)

During the fiscal year under review, the global economy was on a gradual recovery, and while a deceleration was seen in some emerging nations, the U.S. maintained its gradual recovery and moves toward recovery were also visible in Europe.

In Japan, meanwhile, individual consumption was weak due to the impact of the increased consumption tax rate, but the effects of the government's economic measures could also be seen in improvements in corporate earnings and in the employment situation.

In the non-life insurance industry, insurance premiums income continued to grow as a reflection of these economic trends, and with an improvement in the automobile insurance loss ratio etc., the profitability remained solid. In the life insurance industry, the number of policies in force increased in medical insurance policies along with a raise in medical expenses among other factors.

In such a business environment, and based on the "Next Challenge 2017" medium-term management plan that began in fiscal 2014, the Group has been working to enhance the enterprise value of the Group as a whole, with efforts focused primarily around maintaining growth, ensuring soundness, and improving profitability and capital efficiency. We have also moved forward with initiatives to reorganize our business and sales channels, the joint use of bases, the transfer of long-term policies in the third sector to Mitsui Sumitomo Aioi Life Insurance Co., Ltd., reorganization of our international business, and the reorganization of headquarter functions and other reorganization by function. In addition, we have worked on making new investments in growth businesses and fields, reforming our revenue structure, extending a corporate culture in which people can take on challenges as professionals, and developing our human resources. As the holding company responsible for overseeing the business of our entire Group, we have endeavored to formulate a management strategy, strengthen its risk management and compliance readiness for the Group as a whole, and support our Group companies in advancing and managing their businesses. At the same time, we have continued to promote the use of Enterprise Risk Management (ERM).

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

Underwriting income was ¥3,871.1 billion, investment income was ¥803.4 billion and other ordinary income was ¥15.0 billion, resulting in total ordinary income of ¥4,689.6 billion. At the same time, ordinary expenses amounted to ¥4,402.5 billion, including ¥3,760.2 billion in underwriting expenses, ¥53.9 billion in investment expenses, ¥577.9 billion in operating expenses and general and administrative expenses, and other ordinary expenses amounting to ¥10.4 billion.

As a result, the Company posted an ordinary profit of ¥287.0 billion, an increase of ¥96.8 billion over the previous fiscal year, due in part to a reduction in incurred losses (the total of net claims paid, life insurance claims paid, reversal of outstanding claims and provision for outstanding claims), an increase in gains on sales of securities, etc. After factoring in extraordinary income and losses, income taxes and other items, net income rose by ¥42.7 billion over the previous fiscal year to ¥136.2 billion, despite the downward impact on income caused by factors such as an additional provision for reserves for price fluctuation.

Summaries of each business segment are given below.

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

Ordinary income was ¥1,787.5 billion after recording underwriting income of ¥1,606.8 billion, investment income of ¥174.5 billion, and other ordinary income of ¥6.1 billion. Meanwhile, ordinary expenses came to ¥1,616.2 billion resulting from underwriting expenses of ¥1,386.3 billion, investment expenses of ¥8.0 billion, operating expenses and general and administrative expenses of ¥215.7 billion, and other ordinary expenses of ¥6.1 billion.

As a result, ordinary profit was ¥171.3 billion with an increase of ¥69.3 billion from the previous fiscal year. After factoring in extraordinary income and losses, income taxes and other factors to ordinary profit, net income came to ¥89.1 billion with an increase of ¥31.0 billion from the previous fiscal year.

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

Ordinary income was ¥1,323.2 billion after recording underwriting income of ¥1,252.3 billion, investment income of ¥65.7 billion, and other ordinary income of ¥5.0 billion. Meanwhile, ordinary expenses came to ¥1,254.2 billion resulting from underwriting expenses of ¥1,044.9 billion, investment expenses of ¥8.3 billion, operating expenses and general and administrative expenses of ¥198.0 billion, and other ordinary expenses of ¥2.8 billion.

As a result, ordinary profit was ¥68.9 billion with an increase of ¥41.0 billion from the previous fiscal year. After factoring in extraordinary income and losses, income taxes and other factors to ordinary profit, net income came to ¥39.4 billion with a increase of ¥26.3 billion from the previous fiscal year.

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

Ordinary income was ¥35.3 billion after recording underwriting income of ¥35.2 billion and investment income of ¥0.1 billion. Meanwhile, ordinary expenses came to ¥39.5 billion resulting from underwriting expenses of ¥31.7 billion and operating expenses and general and administrative expenses of ¥7.8 billion.

As a result, ordinary loss was ¥4.2 billion with a change of ¥4.5 billion from ordinary profit in the previous fiscal year. Consequently, net loss after taking ownership interests into account (net loss by segment) was ¥3.1 billion with a change of ¥3.3 billion from net income in the previous fiscal year.

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

Ordinary income was ¥487.5 billion after recording insurance premiums and others of ¥443.1 billion, investment income of ¥42.2 billion, and other ordinary income of ¥2.1 billion. Meanwhile, ordinary expenses came to ¥471.6 billion resulting from insurance claims and others of ¥164.4 billion, provision for underwriting reserves and others of ¥220.2 billion, investment expenses of ¥0.6 billion, operating expenses of ¥75.8 billion, and other ordinary expenses of ¥10.4 billion.

As a result, ordinary profit was ¥15.9 billion with a decrease of ¥1.5 billion from the previous fiscal year. After factoring in extraordinary income and losses, income taxes and other factors to ordinary profit, net income of ¥4.4 billion was reported with a decrease of ¥2.2 billion from the previous fiscal year.

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

Ordinary income was ¥1,572.9 billion after recording insurance premiums and others of ¥1,055.5 billion, investment income of ¥513.4 billion, and other ordinary income of ¥4.0 billion. Meanwhile, ordinary expenses came to ¥1,555.1 billion resulting from insurance claims and others of ¥967.9 billion, provision for underwriting reserves and others of ¥471.5 billion, investment expenses of ¥35.3 billion, operating expenses of ¥70.8 billion, and other ordinary expenses of ¥9.6 billion.

As a result, ordinary profit was ¥17.7 billion with a decrease of ¥22.1 billion from the previous fiscal year. After factoring in extraordinary income and losses, income taxes and other factors to ordinary profit, net income came to ¥12.4 billion with a decrease of ¥5.5 billion from the previous fiscal year.

6) International Business (Overseas Insurance Subsidiaries)

Net premiums written in the overseas insurance subsidiaries segment rose by ¥52.6 billion compared to the previous fiscal year to ¥293.2 billion.

Ordinary profit came to ¥44.8 billion with an increase of ¥14.9 billion from the previous fiscal year, and net income (net income by segment) came to ¥35.0 billion with an increase of ¥15.0 billion from the previous fiscal year.

(Consolidated Earnings Forecasts for the Year Ending March 31, 2016)

Based on the assumptions below, the Company forecasts ordinary profit of ¥242.0 billion and net income attributable to owners of the parent of ¥157.0 billion on a consolidated basis for the year ending March 31, 2016.

- The Forecast of net premiums written is based on the Company's own estimate taking into account the trends in the consolidated business results.
- Incurred losses in relation to new domestic natural disasters (the sum total of net claims paid and provision for outstanding claims) are projected to be ¥25.0 billion at Mitsui Sumitomo Insurance Co., Ltd. and ¥15.0 billion at Aioi Nissay Dowa Insurance Co., Ltd.
- Market interest rates, currency exchange rates, and stock prices are assumed not to change substantially from the end of March 2015.

The Company's consolidated earnings forecasts have been prepared based on certain assumed conditions, including those above, but actual results may differ substantially from these forecasts depending on various factors.

(2) Analysis of Financial Conditions

Total assets as at March 31, 2015 stood at ¥18,787.6 billion with an increase of ¥1,909.5 billion from the end of the previous fiscal year, mainly due to an increase in investments in securities stemming from a rise in stock prices. In addition, net assets stood at ¥3,036.2 billion with an increase of ¥750.4 billion from the end of the previous fiscal year, mainly due to a rise in net unrealized gains on investments in securities.

With regard to cash flows in the fiscal year under review, net cash flows provided by operating activities increased by 138.2 billion over the previous year to ¥628.1 billion due to an increase in premium income. Net cash flows used in investing activities decreased by ¥138.4 billion over the previous year to ¥410.6 billion, due in part to an increase in proceeds from sales of money trusts. Net cash flows used in financing activities were ¥58.9 billion, an increase of ¥1.6 billion from the previous fiscal year, mainly due to a decrease in revenues stemming from issuance of bonds. As a result, ending balance of cash and cash equivalents in the fiscal year under review stood at ¥805.4 billion with an increase of ¥180.3 billion from the previous fiscal year.

Cash flows-related indices are shown below.

(Unit: %)

	March 31, 2011	March 31, 2012	March 31, 2013	March 31, 2014	March 31, 2015
Equity ratio ^(Note 1)	14.1	10.3	12.6	13.4	16.0
Equity ratio based on market value ^(Note 2)	10.5	7.4	8.2	8.9	11.4

(Notes)

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

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

(3) Basic Policy Regarding Profit Distribution, and Dividends for the Current and Next Fiscal Years

The Company works to achieve management efficiencies through pursuit of group synergies, while enhancing earning power through the promotion of growth strategies. By then providing an appropriate return of profits in line with the Group performance, we hope to respond to the expectations of our shareholders. At the same time, given the nature of the insurance business, we also believe it is necessary that we work to enhance our required internal reserves.

Given this, and based on a policy of maintaining the stability of our per-share dividend level, our goal is to be able to increase our dividend as earning power rises. Our basic policy in the medium run is to use dividends and the repurchase of our own shares to provide returns approximately 50% of Group Core Profit*.

In accordance with the above policy, we plan a year-end dividend for this fiscal year of ¥36 per share, an increase of ¥7. As a result, combined with the interim dividend of ¥29, the full-year dividend will be ¥65 per share. Regarding the repurchase of our own shares, in addition to the approximately ¥10.0 billion in repurchases approved by the Board of Directors in November, 2014, an additional repurchase of shares to a maximum of ¥20.0 billion was approved by the Board at a meeting held on May 20, 2015.

For the coming fiscal year, given an outlook calling for a continued increase in Group Core Profit, the full-year dividend will be forecast to increase by ¥5 per share, to ¥70. We will also continue to conduct a dynamic, flexible share repurchase program, subject to market conditions and the state of our capital.

With regards to internal reserves, we will continue to pay due attention to fiscal soundness, while continuing to further strengthen our management foundation through proactive investments, including M&A, in areas of high growth and profitability.

*Note: Group Core Profit is a proprietary indicator the Company uses to indicate the ordinary earning power of the Group as a whole, and based on consolidated net income, it is computed by excluding one-time gains and losses, such as the gains and losses from the sale of long-term shareholdings, etc.

For details, please refer to Page 5, “2. Management Policies.”

2. Management Policies

(1) Basic Management Policies

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

Our Mission

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

Our Vision

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

Our Values

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

(2) Numerical Management Targets

As Group numerical management targets for demonstrating the performance of the Group as a whole, the Group earmarked Group Core Profit^(Note 1), consolidated net premiums written, and Group ROE^(Note 2), and forecasts for fiscal 2015 are shown below.

	Results for the year ended March 31, 2015	Forecasts for the year ending March 31, 2016
Group Core Profit	¥155.7 billion	¥151.0 billion
Consolidated net premiums written	¥2,940.7 billion	¥3,066.0 billion
Group ROE	5.9%	5.0%

* The figures shown for consolidated net premiums written are presented exclusive of Good Result Return premiums of Mitsui Sumitomo Insurance’s proprietary automobile insurance product “ModoRich”.

(Notes)

1. Group Core Profit = Consolidated net income
 - Net capital gains/losses on stock portfolio (gains/losses on sales, etc.)
 - Net evaluation gains/losses on credit derivatives
 - Other incidental factors
 - + Gains on non-consolidated group companies after taking ownership interests into account
2. Group ROE = Group Core Profit ÷ Consolidated net assets (excluding minority interest; average of beginning and ending balances)

(3) Medium- to Long-term Management Strategies and Issues to Address

While there are concerns about a downturn in the global economy, the U.S. economy appears solid, and overall, gradual growth is expected to continue.

The Japanese economy, meanwhile, is also expected to see a gradual recovery, supported by steady capital investment in the private sector and individual consumption, as the government continues to promote its economic policies, etc.

While the effects of this economic recovery are expected to lead to further market expansion in the insurance industry, Japan’s continued low birth rate and aging society, along with a lack of growth in automobile ownership and other factors, are forecast to result in a business environment of continued uncertainty.

Under these conditions, our Group will continue to move solidly ahead with the initiatives of Next Challenge 2017, our medium-term management plan, which will be entering its second year. In short, this will involve taking advantage of the diversity represented by the Group’s distinctive three non-life and two life insurance companies, and completing execution of the reorganization by function designed to fully leverage the characteristics and strengths of each of those companies. This will enable us to simultaneously achieve growth and greater efficiency, while working to ensure fiscal soundness and enhanced profitability through the promotion of Enterprise Risk Management (ERM). In addition, by further strengthening our corporate governance infrastructure, we will work to respond to the expectations of all stakeholders and further enhance our enterprise value. Finally, through these initiatives, we will create a world-leading insurance and financial services group with a global business reach.

3. Basic Stance for Adopting Accounting Standards

The Group is considering adopting International Financial Reporting Standards (IFRS) to improve international comparability of financial information for the capital market, and necessary actions such as information gathering and examination of introducing process have been conducted. Adoption date has not yet been determined, but it is expected to be decided following the progress in discussion of accounting standards for insurance contracts that are currently under consideration by International Accounting Standards Board and other factors.

4. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Yen in millions)

	March 31, 2014	March 31, 2015
Assets		
Cash, deposits and savings	563,370	631,141
Call loans	78,649	200,336
Receivables under resale agreements	23,997	36,497
Receivables under securities borrowing transactions	228,706	326,525
Monetary claims bought	73,337	102,636
Money trusts	693,628	541,881
Investments in securities	12,710,203	14,444,996
Loans	807,300	775,816
Tangible fixed assets:	484,272	477,477
Land	246,917	243,662
Buildings	205,148	199,791
Lease assets	1,386	3,393
Construction in progress	5,228	5,226
Other tangible fixed assets	25,591	25,404
Intangible fixed assets:	179,609	182,882
Software	82,769	67,412
Goodwill	89,116	85,114
Lease assets	80	52
Other intangible fixed assets	7,642	30,302
Other assets	844,543	923,261
Assets for retirement benefits	49,123	54,762
Deferred tax assets	108,550	40,678
Customers' liabilities under acceptances and guarantees	53,500	59,500
Bad debt reserve	(20,643)	(10,741)
Total assets	16,878,148	18,787,654
Liabilities		
Policy liabilities:	13,111,219	13,839,481
Outstanding claims	1,467,103	1,491,004
Underwriting reserves	11,644,116	12,348,477
Bonds issued	226,185	226,188
Other liabilities	837,238	1,022,609
Liabilities for pension and retirement benefits	157,277	138,914
Reserve for retirement benefits for officers	1,121	953
Accrued bonuses for employees	21,313	23,961
Reserves under the special laws:	67,054	136,738
Reserve for price fluctuation	67,054	136,738
Deferred tax liabilities	117,404	303,060
Acceptances and guarantees	53,500	59,500
Total liabilities	14,592,316	15,751,408

(Yen in millions)

	March 31, 2014	March 31, 2015
Net assets		
Shareholders' equity:		
Common stock	100,000	100,000
Capital surplus	682,752	675,327
Retained earnings	385,295	490,329
Treasury stock	(29,903)	(49,978)
Total shareholders' equity	1,138,144	1,215,678
Accumulated other comprehensive income/(loss):		
Net unrealized gains/(losses) on investments in securities	1,053,222	1,635,784
Net deferred gains/(losses) on hedges	23,430	32,140
Foreign currency translation adjustments	35,261	94,417
Accumulated actuarial gains/(losses) on retirement benefits	10,266	28,690
Total accumulated other comprehensive income/(loss)	1,122,180	1,791,033
Minority interests	25,507	29,533
Total net assets	2,285,832	3,036,246
Total liabilities and net assets	16,878,148	18,787,654

(2) Consolidated Statements of Income and Comprehensive Income

(Consolidated Statements of Income)

(Yen in millions)

	Year ended March 31, 2014	Year ended March 31, 2015
Ordinary income:	4,362,754	4,689,658
Underwriting income:	3,706,972	3,871,177
Net premiums written	2,811,611	2,939,113
Deposit premiums from policyholders	151,449	138,799
Investment income on deposit premiums from policyholders	52,876	50,898
Life insurance premiums	678,978	721,705
Reversal of outstanding claims	-	1,375
Other underwriting income	12,057	19,285
Investment income:	645,937	803,435
Interest and dividends income	224,123	253,616
Investment gains on money trusts	27,399	89,065
Gains on sales of securities	83,333	157,175
Gains on redemption of securities	1,900	1,840
Gains on derivative transactions	4,230	-
Investment gains on separate accounts	334,955	350,206
Other investment income	22,869	2,429
Transfer of investment income on deposit premiums from policyholders	(52,876)	(50,898)
Other ordinary income:	9,844	15,044
Gains on equity method investments	-	1,302
Other ordinary income	9,844	13,742
Ordinary expenses:	4,172,495	4,402,596
Underwriting expenses:	3,564,739	3,760,218
Net claims paid	1,670,343	1,650,547
Loss adjustment expenses	139,471	156,147
Commissions and collection expenses	557,142	600,326
Maturity refunds to policyholders	332,047	303,288
Dividends to policyholders	717	858
Life insurance claims	355,201	346,127
Provision for outstanding claims	37,965	-
Provision for underwriting reserves	467,076	697,300
Other underwriting expenses	4,773	5,621
Investment expenses:	26,368	53,940
Investment losses on money trusts	7,732	109
Losses on sales of securities	5,533	6,507
Impairment losses on securities	3,259	5,164
Losses on redemption of securities	1,734	961
Losses on derivative transactions	-	6,342
Other investment expenses	8,107	34,853
Operating expenses and general and administrative expenses	548,740	577,998
Other ordinary expenses:	32,967	10,439
Interest expense	8,248	7,052
Provision for bad debts	10,695	-
Loss on bad debts	37	40
Amortization of deferred assets under Article 113 of the Insurance Business Act	236	236
Losses on equity method investments	9,606	-
Other ordinary expenses	4,141	3,110
Deferred expenses under Article 113 of the Insurance Business Act	(319)	-
Ordinary profit/(loss)	190,259	287,061

	(Yen in millions)	
	Year ended March 31, 2014	Year ended March 31, 2015
Extraordinary income:	4,821	9,021
Gains on sales of fixed assets	4,821	9,021
Extraordinary losses:	46,239	76,260
Losses on sales of fixed assets	3,930	4,632
Impairment losses on fixed assets	947	1,944
Provision for reserves under the special laws:	33,101	69,684
Provision for reserve for price fluctuation	33,101	69,684
Other extraordinary losses	8,260	-
Income/(loss) before income taxes and minority interests	148,840	219,822
Income taxes - current	29,640	28,836
Income taxes - deferred	23,581	53,132
Total income taxes	53,221	81,968
Income/(loss) before minority interests	95,619	137,853
Minority interests	2,168	1,606
Net income/(loss)	93,451	136,247

(Consolidated Statements of Comprehensive Income)

(Yen in millions)

	Year ended March 31, 2014	Year ended March 31, 2015
Income/(loss) before minority interests	95,619	137,853
Other comprehensive income/(loss):		
Net unrealized gains/(losses) on investments in securities	161,615	581,217
Net deferred gains/(losses) on hedges	(2,998)	8,709
Foreign currency translation adjustments	68,033	53,878
Accumulated actuarial gains/(losses) on retirement benefits	-	18,427
Share of other comprehensive income/(loss) of equity method investments	594	7,885
Total other comprehensive income/(loss)	227,245	670,118
Total comprehensive income/(loss)	322,865	807,972
Allocation:		
Comprehensive income/(loss) attributable to owners of the parent	318,228	805,117
Comprehensive income/(loss) attributable to minority interests	4,637	2,854

(3) Consolidated Statements of Changes in Net Assets

For the year ended March 31, 2014 (from April 1, 2013 to March 31, 2014)

(Yen in millions)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Beginning balance	100,000	682,752	353,506	(24,823)	1,111,435
Cumulative effect of changing accounting policies			(30,261)		(30,261)
Beginning balance (adjusted)	100,000	682,752	323,245	(24,823)	1,081,174
Changes for the year:					
Dividends paid			(34,148)		(34,148)
Net income/(loss)			93,451		93,451
Repurchase of treasury stock				(5,082)	(5,082)
Disposal of treasury stock		0		1	2
Changes in scope of consolidation			1,884		1,884
Changes in scope of application of equity method			862		862
Changes in the parent's ownership interests in subsidiaries due to transactions with minority shareholders					-
Net changes of items other than shareholders' equity					
Total changes for the year	-	0	62,049	(5,080)	56,969
Ending balance	100,000	682,752	385,295	(29,903)	1,138,144

	Accumulated other comprehensive income/(loss)					Minority interests	Total net assets
	Net unrealized gains/(losses) on investments in securities	Net deferred gains/(losses) on hedges	Foreign currency translation adjustments	Accumulated actuarial gains/(losses) on retirement benefits	Total accumulated other comprehensive income/(loss)		
Beginning balance	891,253	26,428	(29,539)	-	888,143	22,046	2,021,625
Cumulative effect of changing accounting policies					-		(30,261)
Beginning balance (adjusted)	891,253	26,428	(29,539)	-	888,143	22,046	1,991,364
Changes for the year:							
Dividends paid							(34,148)
Net income/(loss)							93,451
Repurchase of treasury stock							(5,082)
Disposal of treasury stock							2
Changes in scope of consolidation							1,884
Changes in scope of application of equity method							862
Changes in the parent's ownership interests in subsidiaries due to transactions with minority shareholders							-
Net changes of items other than shareholders' equity	161,968	(2,998)	64,800	10,266	234,037	3,461	237,499
Total changes for the year	161,968	(2,998)	64,800	10,266	234,037	3,461	294,468
Ending balance	1,053,222	23,430	35,261	10,266	1,122,180	25,507	2,285,832

For the year ended March 31, 2015 (from April 1, 2014 to March 31, 2015)

(Yen in millions)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Beginning balance	100,000	682,752	385,295	(29,903)	1,138,144
Cumulative effect of changing accounting policies		(7,403)	4,006		(3,396)
Beginning balance (adjusted)	100,000	675,349	389,302	(29,903)	1,134,747
Changes for the year:					
Dividends paid			(35,219)		(35,219)
Net income/(loss)			136,247		136,247
Repurchase of treasury stock				(20,077)	(20,077)
Disposal of treasury stock		0		2	2
Changes in scope of consolidation					-
Changes in scope of application of equity method					-
Changes in the parent's ownership interests in subsidiaries due to transactions with minority shareholders		(21)			(21)
Net changes of items other than shareholders' equity					
Total changes for the year	-	(21)	101,027	(20,074)	80,931
Ending balance	100,000	675,327	490,329	(49,978)	1,215,678

	Accumulated other comprehensive income/(loss)					Minority interests	Total net assets
	Net unrealized gains/(losses) on investments in securities	Net deferred gains/(losses) on hedges	Foreign currency translation adjustments	Accumulated actuarial gains/(losses) on retirement benefits	Total accumulated other comprehensive income/(loss)		
Beginning balance	1,053,222	23,430	35,261	10,266	1,122,180	25,507	2,285,832
Cumulative effect of changing accounting policies					-		(3,396)
Beginning balance (adjusted)	1,053,222	23,430	35,261	10,266	1,122,180	25,507	2,282,435
Changes for the year:							
Dividends paid							(35,219)
Net income/(loss)							136,247
Repurchase of treasury stock							(20,077)
Disposal of treasury stock							2
Changes in scope of consolidation							-
Changes in scope of application of equity method							-
Changes in the parent's ownership interests in subsidiaries due to transactions with minority shareholders							(21)
Net changes of items other than shareholders' equity	582,562	8,709	59,156	18,423	668,853	4,025	672,879
Total changes for the year	582,562	8,709	59,156	18,423	668,853	4,025	753,810
Ending balance	1,635,784	32,140	94,417	28,690	1,791,033	29,533	3,036,246

(4) Consolidated Statements of Cash Flows

	(Yen in millions)	
	Year ended March 31, 2014	Year ended March 31, 2015
Cash flows from operating activities:		
Income/(loss) before income taxes and minority interests	148,840	219,822
Depreciation	45,841	47,635
Impairment losses on fixed assets	947	1,944
Amortization of goodwill	6,479	14,436
Increase/(decrease) in outstanding claims	36,067	(446)
Increase/(decrease) in underwriting reserves	461,591	690,272
Increase/(decrease) in bad debt reserve	10,567	(10,038)
Increase/(decrease) in reserve for retirement benefits for officers	(195)	(167)
Increase/(decrease) in accrued bonuses for employees	806	1,939
Increase/(decrease) in liabilities for pension and retirement benefits	762	(642)
Increase/(decrease) in reserve for price fluctuation	33,101	69,684
Interest and dividends income	(224,123)	(253,616)
Losses/(gains) on money trusts	(19,675)	(88,941)
Losses/(gains) on investments in securities	(74,705)	(146,381)
Losses/(gains) on derivative transactions	(4,230)	6,342
Investment losses/(gains) on separate accounts	(334,955)	(350,206)
Interest expense	8,248	7,052
Foreign exchange losses/(gains)	(20,953)	24,795
Losses/(gains) on disposal of tangible fixed assets	(926)	(4,281)
Losses/(gains) on equity method investments	9,606	(1,302)
Decrease/(increase) in other assets	84,768	(38,598)
Increase/(decrease) in other liabilities	12,163	72,236
Others, net	10,291	(3,013)
Subtotal	190,316	258,526
Interest and dividends received	364,735	406,187
Interest paid	(8,267)	(7,044)
Income taxes refunded/(paid)	(56,833)	(29,485)
Net cash provided by/(used in) operating activities (a)	489,950	628,184

(Yen in millions)

	Year ended March 31, 2014	Year ended March 31, 2015
Cash flows from investing activities:		
Net decrease/(increase) in deposits and savings	7,047	3,996
Purchase of monetary claims bought	(39,490)	(5,998)
Proceeds from sales and redemption of monetary claims bought	53,817	14,756
Purchase of money trusts	(353,145)	(215,680)
Proceeds from sales of money trusts	191,377	336,392
Purchase of securities	(2,774,410)	(2,959,364)
Proceeds from sales and redemption of securities	2,400,883	2,465,036
Investments in loans	(209,811)	(220,142)
Collection of loans	269,466	248,124
Net increase/(decrease) in cash collateral under securities borrowing and lending transactions	(249)	1,184
Others, net	(49,029)	(35,300)
Subtotal (b)	(503,545)	(366,994)
(a + b)	(13,594)	261,189
Acquisition of tangible fixed assets	(29,624)	(22,809)
Proceeds from sales of tangible fixed assets	9,634	13,599
Acquisition of intangible fixed assets	(24,944)	(15,702)
Acquisition of subsidiaries resulting in changes in scope of consolidation	-	(17,271)
Others, net	(656)	(1,493)
Net cash provided by/(used in) investing activities	(549,136)	(410,671)
Cash flows from financing activities:		
Proceeds from borrowings	50,000	-
Redemption of bonds	(65,000)	-
Repurchase of treasury stock	(5,082)	(20,077)
Dividends paid to shareholders	(34,147)	(35,189)
Dividends paid to minority shareholders	(1,105)	(1,325)
Others, net	(1,988)	(2,349)
Net cash provided by/(used in) financing activities	(57,323)	(58,941)
Effect of exchange rate changes on cash and cash equivalents	23,776	20,201
Net increase/(decrease) in cash and cash equivalents	(92,732)	178,771
Beginning balance of cash and cash equivalents	716,221	625,084
Increase in cash and cash equivalents due to inclusion in consolidation	1,596	-
Net increase/(decrease) in cash and cash equivalents due to merger of consolidated subsidiaries	-	1,598
Ending balance of cash and cash equivalents	625,084	805,455

(5) Notes to Consolidated Financial Statements

(Notes to Going Concern Assumptions)

Not applicable

(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 fiscal 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 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 for the fiscal year when the costs incurred. Regarding business combinations occurring at or after the beginning of the current consolidated 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 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 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 current consolidated fiscal year were a decrease in goodwill of ¥3,396 million and capital surplus of ¥7,403 million and an increase in retained earnings of ¥4,006 million. As a result, ordinary profit and income before income taxes and minority interests for the year ended March 31, 2015 both increased by ¥242 million.

(Additional information)

(Adjustments to deferred tax assets, deferred tax liabilities etc. due to changes in rates of corporate tax and other tax)

Following the promulgation of “Partial Amendment of the Income Tax Act, etc.” (Act No.9, 2015) on March 31, 2015, reduction in the rates of corporate tax and other tax was effective from the fiscal year commencing on or after April 1, 2015.

Accordingly, the statutory income tax rate, which is applied to major domestic group companies for calculation of deferred tax assets and deferred tax liabilities for the temporary differences expected to be reversed in the fiscal year commencing on April 1, 2015, has changed from 30.7% to 28.8%.

The effects of this change were a decrease in deferred tax assets of ¥2,010 million and deferred tax liabilities of ¥19,197 million and an increase in net unrealized gains on investments in securities of ¥43,346 million and income tax – deferred of ¥27,837 million. As a result, net income decreased by ¥25,614 million.

(Notes to Segment Information)

a. Segment Information

1 Overview of reportable segments

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

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

Segment information is presented based on the Group's business domains where the domestic life and non-life insurance businesses are further identified by each insurance company, resulting in six reportable segments that comprise the five domestic insurance companies and the international business (overseas insurance subsidiaries).

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

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

The accounting methods for reportable segments are substantially the same as those mentioned in “Significant Accounting Policies” of the Securities Report filed on June 23, 2014. Net income by segment is the amount based on net income of each company (after taking ownership interests into consideration).

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

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

For the year ended March 31, 2014 (from April 1, 2013 to March 31, 2014)

(Yen in millions)

	Domestic non-life insurance business			Domestic life insurance business	
	MSI	ADI	Mitsui Direct General	MSI Aioi Life	MSI Primary Life
Revenues: (Note 1)					
Revenues from transactions with external customers	1,348,414	1,121,336	35,611	316,474	360,339
Intersegment revenues or transfers	38,119	23,293	(44)	-	(3,912)
Total	1,386,533	1,144,629	35,567	316,474	356,427
Net income/(loss) by segment	58,047	13,107	170	6,681	17,928
Assets by segment	6,098,017	3,257,180	46,584	2,636,052	4,163,675
Other items:					
Depreciation	23,078	15,432	713	2,460	1,173
Amortization of goodwill	-	-	-	-	-
Interest and dividends income	112,260	65,460	149	36,885	9,341
Interest expense	7,003	759	-	306	0
Gains/(losses) on equity method investments	-	-	-	-	-
Extraordinary income:	4,162	1,009	-	3	-
Gains on sales of fixed assets	4,162	1,009	-	3	-
Extraordinary losses:	21,615	6,676	17	649	16,664
Impairment losses on fixed assets	240	63	0	109	270
Provision for reserve for price fluctuation	14,580	1,614	6	506	16,392
Income taxes	26,497	9,123	48	4,385	5,293
Equity method investments	143,827	-	-	-	-
Increase in tangible fixed assets and intangible fixed assets	27,766	20,160	741	2,842	945

(Yen in millions)

	International business	Others (Note 2)	Total	Adjustments (Notes 3,4 and 5)	Amount on the consolidated financial statements (Note 6)
	Overseas insurance subsidiaries				
Revenues: (Note 1)					
Revenues from transactions with external customers	293,650	17,546	3,493,374	(2,784)	3,490,589
Intersegment revenues or transfers	(50,826)	(6,368)	260	(260)	-
Total	242,823	11,177	3,493,635	(3,045)	3,490,589
Net income/(loss) by segment	19,928	2,242	118,106	(24,655)	93,451
Assets by segment	1,145,100	35,162	17,381,773	(503,624)	16,878,148
Other items:					
Depreciation	2,965	252	46,075	(233)	45,841
Amortization of goodwill	-	-	-	6,479	6,479
Interest and dividends income	16,698	96	240,894	(16,771)	224,123
Interest expense	83	95	8,248	-	8,248
Gains/(losses) on equity method investments	(269)	927	658	(10,264)	(9,606)
Extraordinary income:	230	-	5,406	(584)	4,821
Gains on sales of fixed assets	230	-	5,406	(584)	4,821
Extraordinary losses:	205	21	45,851	388	46,239
Impairment losses on fixed assets	-	-	684	263	947
Provision for reserve for price fluctuation	-	-	33,101	-	33,101
Income taxes	7,448	124	52,921	299	53,221
Equity method investments	1,396	-	145,224	(9,232)	135,992
Increase in tangible fixed assets and intangible fixed assets	4,145	382	56,983	634	57,617

(Notes)

- 1 “Revenues” represents net premiums written for non-life insurance business, life insurance premiums for life insurance business, ordinary income for other business, and the sum total of net premiums written and life insurance premiums for “Amount on the consolidated financial statements”.
- 2 “Others”, which is business segments not included in reportable segments, represents financial services business and risk-related services business operated by group companies other than domestic insurance companies, and domestic non-life insurance business operated by domestic non-life insurance subsidiaries which are not included in reportable segments.
- 3 “Adjustments” in “Revenues from transactions with external customers” represents the sum total of ordinary income items other than net premiums written and life insurance premiums for other business.
- 4 “Adjustments” in “Net income/(loss) by segment” includes elimination of intersegment transactions of ¥(5,096) million, companywide expenses not allocated to respective reportable segments of ¥(4,408) million and adjustments to profit and loss due to application of the purchase method to domestic insurance subsidiaries and amortization of goodwill of ¥(15,150) million. Most of the companywide expenses are expenses associated with the Company's administrative departments that do not belong to any reportable segments.
- 5 “Adjustments” in “Assets by segment” includes elimination of intersegment transactions of ¥(360,788) million, transfers due to offsetting reinsurance recoverables included in assets of overseas insurance subsidiaries and policy liabilities on the consolidated financial statements of ¥(217,655) million, companywide assets not allocated to respective reportable segments of ¥1,964 million, adjustments to assets due to application of the purchase method to domestic insurance subsidiaries and unamortized balance of goodwill not allocated to respective reportable segments of ¥72,855 million. The companywide assets are the Company's assets that do not belong to any reportable segments.
- 6 “Net income/(loss) by segment” is reconciled with net income on the consolidated financial statements.

For the year ended March 31, 2015 (from April 1, 2014 to March 31, 2015)

(Yen in millions)

	Domestic non-life insurance business			Domestic life insurance business	
	MSI	ADI	Mitsui Direct General	MSI Aioi Life	MSI Primary Life
Revenues: (Note 1)					
Revenues from transactions with external customers	1,407,961	1,127,374	35,089	338,479	380,489
Intersegment revenues or transfers	36,214	33,492	(36)	-	(6,893)
Total	1,444,176	1,160,867	35,053	338,479	373,595
Net income/(loss) by segment	89,114	39,480	(3,182)	4,406	12,424
Assets by segment	6,790,021	3,470,706	46,408	3,009,263	4,662,032
Other items:					
Depreciation	24,603	16,623	781	2,827	1,217
Amortization of goodwill	-	-	-	-	-
Interest and dividends income	110,618	59,039	136	39,914	41,248
Interest expense	5,888	757	-	288	0
Gains/(losses) on equity method investments	-	-	-	-	-
Extraordinary income:	10,323	25,913	-	3	-
Gains on sales of fixed assets	8,523	313	-	3	-
Transfer price of contracts under Reorganization by Function	1,800	25,600	-	-	-
Extraordinary losses:	44,051	29,130	8	1,358	1,642
Impairment losses on fixed assets	1,400	1,614	-	-	-
Provision for reserve for price fluctuation	40,788	26,644	7	614	1,630
Income taxes	48,485	26,275	90	3,768	3,694
Equity method investments	143,292	-	-	-	-
Increase in tangible fixed assets and intangible fixed assets	30,032	12,268	903	17,557	1,986

(Yen in millions)

	International business	Others (Note 2)	Total	Adjustments (Notes 3,4 and 5)	Amount on the consolidated financial statements (Note 6)
	Overseas insurance subsidiaries				
Revenues: (Note 1)					
Revenues from transactions with external customers	350,049	23,659	3,663,102	(2,284)	3,660,818
Intersegment revenues or transfers	(54,046)	(8,453)	277	(277)	-
Total	296,002	15,205	3,663,380	(2,561)	3,660,818
Net income/(loss) by segment	35,023	4,192	181,459	(45,212)	136,247
Assets by segment	1,364,437	45,905	19,388,776	(601,122)	18,787,654
Other items:					
Depreciation	2,767	390	49,211	(1,576)	47,635
Amortization of goodwill	-	-	-	14,436	14,436
Interest and dividends income	16,864	106	267,929	(14,312)	253,616
Interest expense	15	101	7,052	0	7,052
Gains/(losses) on equity method investments	6,790	529	7,320	(6,018)	1,302
Extraordinary income:	296	1	36,537	(27,516)	9,021
Gains on sales of fixed assets	296	-	9,136	(114)	9,021
Transfer price of contracts under Reorganization by Function	-	-	27,400	(27,400)	-
Extraordinary losses:	696	84	76,972	(711)	76,260
Impairment losses on fixed assets	-	-	3,015	(1,071)	1,944
Provision for reserve for price fluctuation	-	-	69,684	-	69,684
Income taxes	6,601	(11)	88,904	(6,935)	81,968
Equity method investments	1,398	-	144,690	4,701	149,391
Increase in tangible fixed assets and intangible fixed assets	4,153	1,035	67,936	(26,218)	41,717

(Notes)

- 1 “Revenues” represents net premiums written for non-life insurance business, life insurance premiums for life insurance business, ordinary income for other business, and the sum total of net premiums written and life insurance premiums for “Amount on the consolidated financial statements”.
- 2 “Others”, which is business segments not included in reportable segments, represents financial services business and risk-related services business operated by group companies other than domestic insurance companies, and domestic non-life insurance business operated by domestic non-life insurance subsidiaries which are not included in reportable segments.
- 3 “Adjustments” in “Revenues from transactions with external customers” represents the sum total of ordinary income items other than net premiums written and life insurance premiums for other business.
- 4 “Adjustments” in “Net income/(loss) by segment” includes elimination of intersegment transactions of ¥(22,019) million, companywide expenses not allocated to respective reportable segments of ¥(6,132) million and adjustments to profit and loss due to application of the purchase method to domestic insurance subsidiaries and amortization of goodwill of ¥(17,059) million. Most of the companywide expenses are expenses associated with the Company's administrative departments that do not belong to any reportable segments.
- 5 “Adjustments” in “Assets by segment” includes elimination of intersegment transactions of ¥(426,093) million, transfers due to offsetting reinsurance recoverables included in assets of overseas insurance subsidiaries and policy liabilities on the consolidated financial statements of ¥(235,804) million, companywide assets not allocated to respective reportable segments of ¥2,397 million, adjustments to assets due to application of the purchase method to domestic insurance subsidiaries and unamortized balance of goodwill not allocated to respective reportable segments of ¥58,378 million. The companywide assets are the Company's assets that do not belong to any reportable segments.
- 6 “Net income/(loss) by segment” is reconciled with net income on the consolidated financial statements.

b. Related information**For the year ended March 31, 2014 (from April 1, 2013 to March 31, 2014)****1 Information by product and service**

(Yen in millions)

	Fire and allied	Marine	Personal accident	Voluntary automobile	Compulsory automobile liability	Other	Total
Net premiums written	398,163	97,054	227,546	1,393,198	338,245	357,402	2,811,611

(Yen in millions)

	Individual	Individual Annuity	Group	Group Annuity	Other	Total
Life insurance premiums	857,280	(195,320)	17,000	13	4	678,978

2 Information by geographic area**(1) Revenues**

(Yen in millions)

	Japan	Overseas	Total
Net premiums written	2,453,251	358,360	2,811,611
Life insurance premiums	676,814	2,163	678,978

(Note) Revenues are classified into “Japan” or “Overseas” in line with the classification used for management purpose based on locations of policyholders.

(2) Tangible fixed assets

Since tangible fixed assets located in Japan constitute more than 90 percent of total tangible fixed assets on the consolidated balance sheet, information on tangible fixed assets by geographic area is not disclosed.

3 Information by major customer

Not applicable

For the year ended March 31, 2015 (from April 1, 2014 to March 31, 2015)**1 Information by product and service**

(Yen in millions)

	Fire and allied	Marine	Personal accident	Voluntary automobile	Compulsory automobile liability	Other	Total
Net premiums written	425,881	103,389	230,991	1,438,002	348,356	392,491	2,939,113

(Yen in millions)

	Individual	Individual Annuity	Group	Group Annuity	Other	Total
Life insurance premiums	780,510	(76,420)	17,600	9	5	721,705

2 Information by geographic area**(1) Revenues**

(Yen in millions)

	Japan	Overseas	Total
Net premiums written	2,533,062	406,050	2,939,113
Life insurance premiums	718,969	2,736	721,705

(Note) Revenues are classified into “Japan” or “Overseas” in line with the classification used for management purpose based on locations of policyholders.

(2) Tangible fixed assets

Since tangible fixed assets located in Japan constitute more than 90 percent of total tangible fixed assets on the consolidated balance sheet, information on tangible fixed assets by geographic area is not disclosed.

3 Information by major customer

Not applicable

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

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

d. Information on amortization of goodwill and unamortized balance of goodwill by reportable segment For the year ended March 31, 2014 (from April 1, 2013 to March 31, 2014)

(Yen in millions)

	ADI	Mitsui Direct General	Overseas insurance subsidiaries	Total
Amortization of goodwill for the year	1,638	700	4,140	6,479
Unamortized balance of goodwill at the year-end	26,221	9,261	53,633	89,116

(Note) In “a. Segment Information, 3 Information on revenues, net income or loss, assets, liabilities and other items by reportable segment”, amortization of goodwill is not included in each segment of “Net income/(loss) by segment”, and unamortized balance of goodwill to be recognized through the consolidation process (except for goodwill included in assets of consolidated subsidiaries) is not included in each segment of “Assets by segment”.

For the year ended March 31, 2015 (from April 1, 2014 to March 31, 2015)

(Yen in millions)

	ADI	Mitsui Direct General	Overseas insurance subsidiaries	Total
Amortization of goodwill for the year	1,630	8,429	4,376	14,436
Unamortized balance of goodwill at the year-end	24,453	-	60,660	85,114

(Notes) 1. In “a. Segment Information, 3 Information on revenues, net income or loss, assets, liabilities and other items by reportable segment”, amortization of goodwill is not included in each segment of “Net income/(loss) by segment”, and unamortized balance of goodwill to be recognized through the consolidation process (except for goodwill included in assets of consolidated subsidiaries) is not included in each segment of “Assets by segment”.

2. “Amortization of goodwill for the year” in “Mitsui Direct General” includes the goodwill amortized in accordance with Paragraph 32 of the Practical Guidelines on Accounting Standards for Capital Consolidation Procedures in Preparing Consolidated Financial Statements (JICPA Accounting Practice Committee Statement No.7).

e. Information on gains on negative goodwill by reportable segment

Not applicable

(Notes to Investments in Securities)

1 Trading securities

(Yen in millions)

	March 31, 2014	March 31, 2015
Valuation differences included in profit or loss for the year	195,706	198,105

2 Held-to-maturity securities

March 31, 2014

(Yen in millions)

Type		Carrying amount	Fair value	Difference
Securities whose fair value exceeds the carrying amount	Domestic bonds	756,193	815,169	58,975
	Other securities	-	-	-
	Subtotal	756,193	815,169	58,975
Securities whose fair value does not exceed the carrying amount	Domestic bonds	27,603	27,384	(219)
	Other securities	11,683	11,683	-
	Subtotal	39,287	39,067	(219)
Total		795,481	854,236	58,755

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

March 31, 2015

(Yen in millions)

Type		Carrying amount	Fair value	Difference
Securities whose fair value exceeds the carrying amount	Domestic bonds	872,781	977,126	104,345
	Other securities	-	-	-
	Subtotal	872,781	977,126	104,345
Securities whose fair value does not exceed the carrying amount	Domestic bonds	37,588	37,518	(70)
	Other securities	14,251	14,251	-
	Subtotal	51,840	51,769	(70)
Total		924,621	1,028,896	104,275

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

3 Debt securities earmarked for underwriting reserves

March 31, 2014

(Yen in millions)

Type		Carrying amount	Fair value	Difference
Securities whose fair value exceeds the carrying amount	Foreign securities	352,153	356,107	3,954
Securities whose fair value does not exceed the carrying amount	Foreign securities	311,084	303,649	(7,435)
Total		663,237	659,756	(3,481)

March 31, 2015

(Yen in millions)

Type		Carrying amount	Fair value	Difference
Securities whose fair value exceeds the carrying amount	Foreign securities	923,452	1,023,145	99,693
Securities whose fair value does not exceed the carrying amount	Foreign securities	8,863	8,778	(84)
Total		932,316	1,031,924	99,608

4 Available-for-sale securities

March 31, 2014

(Yen in millions)

Type		Carrying amount	Cost	Difference
Securities whose carrying amount exceeds the cost	Domestic bonds	4,144,556	3,949,379	195,176
	Domestic stocks	2,325,305	1,089,956	1,235,348
	Foreign securities	1,006,666	911,825	94,840
	Other securities	81,726	74,417	7,308
	Subtotal	7,558,254	6,025,579	1,532,674
Securities whose carrying amount does not exceed the cost	Domestic bonds	284,416	285,225	(809)
	Domestic stocks	108,035	119,899	(11,863)
	Foreign securities	471,499	481,210	(9,711)
	Other securities	33,231	33,246	(14)
	Subtotal	897,183	919,582	(22,399)
Total		8,455,437	6,945,161	1,510,275

(Notes)

- 1 Available-for-sale securities without practically determinable fair value are not included in the above table.
- 2 “Other securities” includes certificates of deposits included in Cash, deposits and savings, and commercial papers and loan receivable trust beneficiary certificates included in Monetary claims bought on the consolidated balance sheet.

March 31, 2015

(Yen in millions)

Type		Carrying amount	Cost	Difference
Securities whose carrying amount exceeds the cost	Domestic bonds	4,358,320	4,086,543	271,776
	Domestic stocks	3,023,028	1,206,153	1,816,874
	Foreign securities	1,560,772	1,373,502	187,270
	Other securities	84,350	71,716	12,634
	Subtotal	9,026,471	6,737,915	2,288,556
Securities whose carrying amount does not exceed the cost	Domestic bonds	221,382	222,188	(806)
	Domestic stocks	40,340	44,539	(4,199)
	Foreign securities	394,327	400,293	(5,965)
	Other securities	63,946	63,953	(6)
	Subtotal	719,997	730,975	(10,978)
Total		9,746,468	7,468,890	2,277,577

(Notes)

- 1 Available-for-sale securities without practically determinable fair value are not included in the above table.
- 2 “Other securities” includes certificates of deposits included in Cash, deposits and savings, and commercial papers and loan receivable trust beneficiary certificates included in Monetary claims bought on the consolidated balance sheet.

5 Debt securities earmarked for underwriting reserves sold during the year

For the year ended March, 2014 (From April 1, 2013 to March 31, 2014)

Not applicable

For the year ended March, 2015 (From April 1, 2014 to March 31, 2015)

(Yen in millions)

Type	Total proceeds from sales	Gross gains on sales	Gross losses on sales
Foreign securities	332,945	34,265	-

6 Available-for-sale securities sold during the year

For the year ended March, 2014 (From April 1, 2013 to March 31, 2014)

(Yen in millions)

Type	Total proceeds from sales	Gross gains on sales	Gross losses on sales
Domestic bonds	565,573	10,229	1,530
Domestic stocks	125,597	55,049	698
Foreign securities	387,641	16,365	3,300
Other securities	3,979	1,688	4
Total	1,082,792	83,333	5,533

For the year ended March, 2015 (From April 1, 2014 to March 31, 2015)

(Yen in millions)

Type	Total proceeds from sales	Gross gains on sales	Gross losses on sales
Domestic bonds	511,768	3,750	192
Domestic stocks	185,976	99,995	2,029
Foreign securities	417,633	19,165	4,286
Other securities	0	-	0
Total	1,115,378	122,910	6,507

7 Securities on which impairment losses were recognized

For the year ended March 31, 2014, 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 Domestic stocks and ¥176 million on Foreign securities) and ¥2,150 million on Available-for-sale securities without practically determinable fair value (comprised of ¥1,811 million on Domestic stocks and ¥339 million on Foreign securities).

For the year ended March 31, 2015, the Company and its consolidated subsidiaries recognized impairment losses of ¥627 million on Available-for-sale securities with practically determinable fair value (comprised of ¥66 million on Domestic stocks, ¥560 million on Foreign securities and ¥0 million on Other securities) and ¥4,476 million on Available-for-sale securities without practically determinable fair value (comprised of ¥86 million on Domestic stocks, ¥3,115 million on Foreign securities and ¥1,275 million on Other securities).

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

(Notes to Derivative Financial Instruments)

1 Derivative transactions to which hedge accounting is not applied

(1) Currency-related derivatives

March 31, 2014

(Yen in millions)

Category	Type	Notional amount		Fair value	Valuation gains/(losses)
		Total	Over 1 year		
OTC transactions	Foreign exchange forward contracts				
	Short	41,383	-	(659)	(659)
	Long	27,718	-	153	153
	Currency options				
	Short	371	-	(29)	(0)
Total		-	-	(535)	(506)

(Notes) Calculation method of fair value

- 1 Fair value of foreign exchange forward contracts is determined based on forward exchange rates.
- 2 Fair value of currency options is determined based on the option pricing models.

March 31, 2015

(Yen in millions)

Category	Type	Notional amount		Fair value	Valuation gains/(losses)
		Total	Over 1 year		
OTC transactions	Foreign exchange forward contracts				
	Short	29,060	-	(366)	(366)
	Long	21,236	-	257	257
Total		-	-	(109)	(109)

(Note) Calculation method of fair value

Fair value is determined based on forward exchange rates.

(2) Interest rate-related derivatives
March 31, 2014

(Yen in millions)

Category	Type	Notional amount		Fair value	Valuation gains/(losses)
		Total	Over 1 year		
Market transactions	Interest rate forward contracts Short	868	-	-	-
OTC transactions	Interest rate swaps				
	Receive fixed, pay floating	454,808	350,708	5,497	5,497
	Receive floating, pay fixed	416,000	251,400	(5,211)	(5,211)
	Interest rate options				
	Swaption				
	Short	103,000	63,000	(1,017)	327
	Long	90,500	50,500	1,130	64
Total		-	-	398	678

(Notes) Calculation method of fair value

- 1 Fair value of interest rate forward contracts is determined based on closing prices in principal markets.
- 2 Fair value of interest rate swaps is measured at present values of estimated future cash flows discounted at interest rates at the year-end or determined based on prices obtained from counterparty financial institutions.
- 3 Fair value of interest rate options is determined based on the option pricing models.

March 31, 2015

(Yen in millions)

Category	Type	Notional amount		Fair value	Valuation gains/(losses)
		Total	Over 1 year		
OTC transactions	Interest rate swaps				
	Receive fixed, pay floating	160,151	144,151	7,983	7,983
	Receive floating, pay fixed	37,720	21,720	(104)	(104)
	Interest rate options				
	Swaption				
	Long	15,000	-	6	(45)
Total		-	-	7,885	7,832

(Notes) Calculation method of fair value

- 1 Fair value of interest rate swaps is measured at present values of estimated future cash flows discounted at interest rates at the year-end or determined based on prices obtained from counterparty financial institutions.
- 2 Fair value of interest rate options is determined based on the option pricing models.

(3) Equity-related derivatives**March 31, 2014**

(Yen in millions)

Category	Type	Notional amount		Fair value	Valuation gains/(losses)
		Total	Over 1 year		
Market transactions	Equity index future contracts				
	Short	25,628	-	(43)	(43)
	Equity index options				
	Short	410	-	(7)	(1)
Total		-	-	(50)	(45)

(Note) Calculation method of fair value

Fair value is determined based on closing prices in principal markets.

March 31, 2015

(Yen in millions)

Category	Type	Notional amount		Fair value	Valuation gains/(losses)
		Total	Over 1 year		
Market transactions	Equity index future contracts				
	Short	31,559	-	(647)	(647)
	Equity index options				
	Short	509	-	(8)	0
Total		-	-	(655)	(647)

(Note) Calculation method of fair value

Fair value is determined based on closing prices in principal markets.

(4) Bond-related derivatives**March 31, 2014**

(Yen in millions)

Category	Type	Notional amount		Fair value	Valuation gains/(losses)
		Total	Over 1 year		
Market transactions	Bond future contracts				
	Short	74,330	-	17	17
Total		-	-	17	17

(Note) Calculation method of fair value

Fair value is determined based on closing prices in principal markets.

March 31, 2015

(Yen in millions)

Category	Type	Notional amount		Fair value	Valuation gains/(losses)
		Total	Over 1 year		
Market transactions	Bond future contracts				
	Short	98,042	-	(424)	(424)
Total		-	-	(424)	(424)

(Note) Calculation method of fair value

Fair value is determined based on closing prices in principal markets.

(5) Credit-related derivatives**March 31, 2014**

(Yen in millions)

Category	Type	Notional amount		Fair value	Valuation gains/(losses)
		Total	Over 1 year		
OTC transactions	Credit derivatives Sell protection	208,690	189,281	1,186	1,186
Total		-	-	1,186	1,186

(Notes)

1 Calculation method of fair value

Fair value is determined based on the pricing models by considering factors such as prices and duration of the underlying contracts or based on prices obtained from counterparty financial institutions.

2 “Sell protection” represents transactions where the Group takes credit risks from counterparties.

March 31, 2015

(Yen in millions)

Category	Type	Notional amount		Fair value	Valuation gains/(losses)
		Total	Over 1 year		
OTC transactions	Credit derivatives Sell protection	120,723	76,420	843	843
Total		-	-	843	843

(Notes)

1 Calculation method of fair value

Fair value is determined based on the pricing models by considering factors such as prices and duration of the underlying contracts or based on prices obtained from counterparty financial institutions.

2 “Sell protection” represents transactions where the Group takes credit risks from counterparties.

(6) Others
March 31, 2014

(Yen in millions)

Category	Type	Notional amount		Fair value	Valuation gains/(losses)
		Total	Over 1 year		
OTC transactions	Weather derivatives				
	Short	277	107	(22)	0
	Long	277	107	22	2
	Natural disaster derivatives				
	Short	27,223	11,867	(642)	913
	Long	24,480	11,238	417	(691)
	Index basket options				
	Long	36,553	-	184	(478)
	Others				
	Short	1,911	467	61	61
	Long	2,003	467	(61)	(61)
	Contracts of underwriting comprehensive risks	-	-	613	613
Total		-	-	572	358

(Note) Calculation method of fair value

Fair value is determined based on the option pricing models except for fair value of index basket options and contracts of underwriting comprehensive risks which is determined based on prices obtained from counterparties.

March 31, 2015

(Yen in millions)

Category	Type	Notional amount		Fair value	Valuation gains/(losses)
		Total	Over 1 year		
OTC transactions	Weather derivatives				
	Short	287	-	(11)	7
	Long	287	-	11	(5)
	Natural disaster derivatives				
	Short	29,298	6,517	(643)	1,304
	Long	26,789	6,191	379	(966)
	Others				
	Short	383	126	24	24
	Long	476	126	(24)	(24)
	Contracts of underwriting comprehensive risks	-	-	(433)	(433)
Total		-	-	(697)	(94)

(Note) Calculation method of fair value

Fair value is determined based on the option pricing models except for fair value of contracts of underwriting comprehensive risks which is determined based on prices obtained from counterparties.

2 Derivative transactions to which hedge accounting is applied

(1) Currency-related derivatives

March 31, 2014

(Yen in millions)

Hedge accounting method	Type	Main hedged item	Notional amount		Fair value
			Total	Over 1 year	
Allocation method	Currency swaps	Foreign currency bonds issued	106,191	106,191	(Note 2)
Fair value hedge method	Foreign exchange forward contracts				
	Short	Available-for-sale securities	407,665	-	(13,463)
Total			-	-	(13,463)

(Notes)

1 Calculation method of fair value

(1) Fair value of currency swaps is measured at present discounted values.

(2) Fair value of foreign exchange forward contracts is determined based on forward exchange rates.

2 Fair value of derivative financial instruments to which the allocation method is applied is not disclosed as it is included in fair value of the hedged items.

March 31, 2015

(Yen in millions)

Hedge accounting method	Type	Main hedged item	Notional amount		Fair value
			Total	Over 1 year	
Allocation method	Currency swaps	Foreign currency bonds issued	106,191	106,191	(Note 2)
Fair value hedge method	Foreign exchange forward contracts				
	Short	Available-for-sale securities	492,433	-	(8,417)
Total			-	-	(8,417)

(Notes)

1 Calculation method of fair value

(1) Fair value of currency swaps is measured at present discounted values.

(2) Fair value of foreign exchange forward contracts is determined based on forward exchange rates.

2 Fair value of derivative financial instruments to which the allocation method is applied is not disclosed as it is included in fair value of the hedged items.

(2) Interest rate-related derivatives**March 31, 2014**

(Yen in millions)

Hedge accounting method	Type	Main hedged item	Notional amount		Fair value
			Total	Over 1 year	
Deferred hedge method	Interest rate swaps Receive floating, pay fixed	Borrowings	50,000	50,000	62
	Interest rate swaps Receive fixed, pay floating	Insurance liabilities	290,300	290,300	31,927
Total			-	-	31,990

(Note) Calculation method of fair value

Fair value is measured at present values of estimated future cash flows discounted at interest rates at the year-end.

March 31, 2015

(Yen in millions)

Hedge accounting method	Type	Main hedged item	Notional amount		Fair value
			Total	Over 1 year	
Deferred hedge method	Interest rate swaps Receive floating, pay fixed	Borrowings	50,000	50,000	(46)
	Interest rate swaps Receive fixed, pay floating	Insurance liabilities	259,600	259,600	40,258
Total			-	-	40,211

(Note) Calculation method of fair value

Fair value is measured at present values of estimated future cash flows discounted at interest rates at the year-end.

(3) Equity-related derivatives**March 31, 2014**

(Yen in millions)

Hedge accounting method	Type	Main hedged item	Notional amount		Fair value
			Total	Over 1 year	
Fair value hedge method	Equity forward contracts Short	Available-for-sale securities	16,891	-	(1,315)
Total			-	-	(1,315)

(Note) Calculation method of fair value

Fair value is determined based on prices obtained from counterparty financial institutions.

March 31, 2015

(Yen in millions)

Hedge accounting method	Type	Main hedged item	Notional amount		Fair value
			Total	Over 1 year	
Fair value hedge method	Equity forward contracts Short	Available-for-sale securities	17,513	-	(1,991)
Total			-	-	(1,991)

(Note) Calculation method of fair value

Fair value is determined based on prices obtained from counterparty financial institutions.

(Notes to Per Share Information)

(Yen)

	Year ended March 31, 2014	Year ended March 31, 2015
Net assets less minority interests per share	3,646.22	4,911.40
Net income/(loss) per share	150.58	221.34

(Notes)

1 Since there was no potential dilution, diluted net income/(loss) per share is not disclosed.

2 The bases for calculation of net income/(loss) per share are as follows.

	Year ended March 31, 2014	Year ended March 31, 2015
Net income/(loss) (Yen in millions)	93,451	136,247
Net income/(loss) not attributable to common shareholders (Yen in millions)	-	-
Net income/(loss) attributable to common stock (Yen in millions)	93,451	136,247
Average number of shares of outstanding stock (in thousands of shares)	620,603	615,548

3 The bases for calculation of net assets less minority interests per share are as follows.

	March 31, 2014	March 31, 2015
Total net assets (Yen in millions)	2,285,832	3,036,246
Amounts deduced from net assets: (Yen in millions)	25,507	29,533
Minority interests (Yen in millions)	25,507	29,533
Net assets attributable to common stock (Yen in millions)	2,260,324	3,006,712
Number of shares of outstanding stock to calculate net assets less minority interests per share (in thousands of shares)	619,908	612,190

(Notes to Significant Subsequent Events)

Not applicable