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

May 20, 2015

MS&AD Insurance Group Holdings, Inc.

UNOFFICIAL TRANSLATION

This document is an unofficial English translation of the Japanese original.

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1. Summary of Consolidated Business Results

(1) Consolidated Business Performance

(Yen in 100 millions)

	Items	Year ended March 31, 2014	Year ended March 31, 2015	Change	Change ratio
Ordinary income and expenses:					
Underwriting income:	1	37,049	38,728	1,678	4.5 %
Net premiums written	2	28,095	29,407	1,311	4.7
Deposit premiums from policyholders	3	1,514	1,387	(126)	(8.4)
Life insurance premiums	4	6,789	7,217	427	6.3
Reversal of outstanding claims	5	-	13	13	-
Underwriting expenses:	6	35,627	37,618	1,991	5.6
Net claims paid	7	16,703	16,505	(197)	(1.2)
Loss adjustment expenses	8	1,394	1,561	166	12.0
Commissions and collection expenses	9	5,571	6,003	431	7.8
Maturity refunds to policyholders	10	3,320	3,032	(287)	(8.7)
Life insurance claims	11	3,552	3,461	(90)	(2.6)
Provision for outstanding claims	12	379	-	(379)	(100.0)
Provision for underwriting reserves	13	4,650	6,989	2,338	50.3
Investment income:	14	6,459	8,034	1,574	24.4
Interest and dividends income	15	2,241	2,536	294	13.2
Investment gains on money trusts	16	273	890	616	225.1
Gains on sales of securities	17	833	1,571	738	88.6
Investment gains on separate accounts	18	3,349	3,502	152	4.6
Investment expenses:	19	263	539	275	104.6
Investment losses on money trusts	20	77	1	(76)	(98.6)
Losses on sales of securities	21	55	65	9	17.6
Impairment losses on securities	22	32	51	19	58.4
Operating expenses and general and administrative expenses	23	5,487	5,779	292	5.3
Other ordinary income and expenses:	24	(231)	46	277	-
Gains/(losses) on equity method investments	25	(96)	13	109	-
Deferred expenses under Article 113 of the Insurance Business Act	26	(3)	-	3	-
Ordinary profit/(loss)	27	1,902	2,870	968	50.9
Extraordinary income and losses:					
Extraordinary income	28	48	90	42	87.1
Extraordinary losses	29	462	762	300	64.9
Provision for reserve for price fluctuation	30	331	696	365	110.5
Extraordinary income/(losses)	31	(414)	(672)	(258)	-
Income/(loss) before income taxes and minority interests	32	1,488	2,198	709	47.7
Income taxes - current	33	296	288	(8)	(2.7)
Income taxes - deferred	34	235	531	295	125.3
Total income taxes	35	532	819	287	54.0
Income/(loss) before minority interests	36	956	1,378	422	44.2
Minority interests	37	21	16	(5)	(25.9)
Net income/(loss)	38	934	1,362	427	45.8

(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. Extraordinary losses for the year ended March 31, 2014 includes costs related to Reorganization by Function of ¥8.2 billion.

Incurred losses related to non-life insurance business	39	17,081	16,466	(615)	(3.6)
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(Note) Incurred losses (excluding loss adjustment expenses) = net claims paid + movement in outstanding claims

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

(Yen in 100 millions)

	Items	#REF!	#REF!	Change	Change ratio
Net premiums written ^(Note 1)	1	28,095	29,407	1,311	4.7%
Mitsui Sumitomo Insurance ^(Note 1)	2	13,845	14,458	613	4.4
Aioi Nissay Dowa Insurance	3	11,446	11,608	162	1.4
Mitsui Direct General Insurance	4	355	350	(5)	(1.4)
Overseas insurance subsidiaries	5	2,406	2,932	526	21.9
Ordinary profit/(loss)	6	1,902	2,870	968	50.9
Mitsui Sumitomo Insurance	7	1,019	1,713	693	68.0
Aioi Nissay Dowa Insurance	8	278	689	410	147.2
Net income/(loss)	9	934	1,362	427	45.8
Mitsui Sumitomo Insurance	10	580	891	310	53.5
Aioi Nissay Dowa Insurance	11	131	394	263	201.2
Mitsui Direct General Insurance	12	1	(31)	(33)	(1,965.2)
Mitsui Sumitomo Aioi Life Insurance	13	66	44	(22)	(34.1)
Mitsui Sumitomo Primary Life Insurance	14	179	124	(55)	(30.7)
Overseas insurance subsidiaries	15	199	350	150	75.7
Others	16	22	41	19	87.0
Consolidation adjustments and holding company	17	(246)	(452)	(205)	-

(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 after 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	#REF!	#REF!	Change	Change ratio
Net premiums written	1	2,406	2,932	526	21.9%
Asia	2	1,186	1,497	311	26.2
Europe	3	689	826	136	19.8
Americas	4	363	417	54	14.9
Reinsurance	5	167	191	24	14.4
Net income/(loss)	6	199	350	150	75.7
Asia	7	115	179	63	55.3
Europe	8	(2)	46	48	-
Americas	9	0	13	13	2,488.9
Reinsurance	10	85	110	25	29.7

(4) Summary of Results of Domestic Life Insurance Business

(Yen in 100 millions)

	Items	Year ended March 31, 2014	Year ended March 31, 2015	Change	Change ratio
Amount of new policies					
Mitsui Sumitomo Aioi Life Insurance	1	26,722	24,811	(1,910)	(7.1) %
Mitsui Sumitomo Primary Life Insurance	2	8,005	10,247	2,242	28.0
Amount of policies in force					
Mitsui Sumitomo Aioi Life Insurance	3	211,050	218,940	7,889	3.7 %
Mitsui Sumitomo Primary Life Insurance	4	40,243	44,210	3,966	9.9
Annualized premiums for policies in force					
Mitsui Sumitomo Aioi Life Insurance	5	3,358	3,559	201	6.0 %
Mitsui Sumitomo Primary Life Insurance	6	4,543	4,515	(27)	(0.6)

(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	Year ended March 31, 2014	Year ended March 31, 2015	Change	Change ratio
(+) Net premiums written	1	13,845	14,458	613	4.4 %
(-) Net claims paid	2	8,236	8,108	(128)	(1.6)
(-) Loss adjustment expenses	3	774	880	105	13.7
(-) Commissions and collection expenses	4	2,390	2,538	147	6.2
(-) Operating expenses and general and administrative expenses for underwriting	5	2,045	2,056	10	0.5
Underwriting profit/(loss) before movements in reserves	6	397	874	476	119.8
(-) Movement in outstanding claims	7	84	(113)	(198)	(235.0)
(-) Movement in ordinary underwriting reserves	8	454	651	197	43.5
(-) Movement in catastrophe reserve	9	(21)	314	335	-
(+) Other	10	46	117	71	153.6
Underwriting profit/(loss)	11	(73)	140	213	-
(+) Interest and dividends income	12	1,122	1,106	(16)	(1.5)
(-) Transfer of investment income on deposit premiums from policyholders	13	413	399	(13)	(3.3)
Net interest and dividends income (item 12 - item 13)	14	709	706	(2)	(0.4)
(+) Gains/(losses) on sales of securities	15	548	900	352	64.3
(-) Impairment losses on securities	16	33	33	(0)	(0.4)
(+) Other	17	28	10	(18)	(63.7)
Investment profit/(loss)	18	1,251	1,583	331	26.5
(+) Other ordinary profit/(loss)	19	(158)	(10)	148	-
Ordinary profit/(loss)	20	1,019	1,713	693	68.0
(+) Extraordinary income/(losses):	21	(174)	(337)	(162)	-
Gains/(losses) on reserve for price fluctuation	22	(145)	(407)	(262)	-
Income/(loss) before income taxes	23	845	1,375	530	62.8
(-) Income taxes	24	264	484	219	83.0
Net income/(loss)	25	580	891	310	53.5

Ratios	Net loss ratio	26	65.1 %	62.2 %	(2.9) %	
	Net expense ratio	27	32.0 %	31.8 %	(0.2) %	
	Combined ratio	28	97.1 %	94.0 %	(3.1) %	
	Interest and dividends income yield	29	2.54 %	2.44 %	(0.10) %	
	Investment profit yield	30	3.95 %	4.55 %	0.60 %	

Incurred losses (item 2 + item 7)	31	8,321	7,994	(326)	(3.9)
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- (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. Total investment yield (including unrealized gains and losses): 6.39% for the year ended March 31, 2014, and 12.11% for the year ended March 31, 2015
5. Extraordinary income/(losses) for the year ended March 31, 2014 includes costs related to Reorganization by Function of ¥4.1 billion.

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

	Net premiums written	32	12,103	12,649	546	4.5
Ratios	Net loss ratio	33	62.2 %	59.4 %	(2.8) %	
	Net expense ratio	34	34.1 %	33.9 %	(0.2) %	
	Combined ratio	35	96.3 %	93.3 %	(3.0) %	

* 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)			
	Year ended March 31, 2014		Year ended March 31, 2015		Year ended March 31, 2014		Year ended March 31, 2015	
	Amount	Change ratio %	Amount	Change ratio %	Amount	Change ratio %	Amount	Change ratio %
Fire and allied	2,122	13.0	2,226	4.9	2,734	8.5	2,899	6.0
Marine	567	5.6	652	15.1	768	10.7	882	14.8
Personal accident	1,446	1.2	1,496	3.4	1,516	1.1	1,567	3.3
Voluntary automobile	6,083	3.0	6,262	2.9	6,106	3.0	6,296	3.1
CALI	1,734	10.3	1,801	3.8	1,708	10.6	1,715	0.4
Other	1,889	3.9	2,018	6.8	2,095	5.3	2,293	9.5
Total	13,845	5.3	14,458	4.4	14,929	5.3	15,655	4.9

(3) Net claims paid

(Yen in 100 millions)

	Year ended March 31, 2014			Year ended March 31, 2015			
	Amount	Change ratio %	Net loss ratio %	Amount	Change ratio %	Net loss ratio %	Change %
Fire and allied	1,461	(25.7)	70.9	1,444	(1.2)	67.0	(3.9)
Marine	319	22.5	59.6	305	(4.3)	49.9	(9.7)
Personal accident	784	3.3	60.4	783	(0.2)	58.7	(1.7)
Voluntary automobile	3,426	(5.4)	63.5	3,287	(4.1)	60.9	(2.6)
CALI	1,349	(0.9)	85.4	1,341	(0.5)	81.8	(3.6)
Other	895	(0.8)	50.2	945	5.6	49.7	(0.5)
Total	8,236	(7.2)	65.1	8,108	(1.6)	62.2	(2.9)

(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)

	Year ended March 31, 2014			Year ended March 31, 2015		
	Incurred losses	Net claims paid	Outstanding claims	Incurred losses	Net claims paid	Outstanding claims
Fire and allied	163	140	23	140	125	14
Voluntary automobile	27	27	0	18	18	0
Other	28	14	14	24	18	5
Total	219	182	37	183	163	20

(Note) The above table describes losses caused by natural disasters in Japan (excluding the heavy snowfall disaster in February, 2014) incurred during the respective period. Incurred losses caused by the heavy snowfall disaster in February, 2014 are ¥45.4 billion (¥40.5 billion in Fire and allied, ¥3.2 billion in Voluntary automobile and ¥1.5 billion in Other) for the year ended March 31, 2014 and ¥1.7 billion (¥2.4 billion in Fire and allied, ¥(0.6) billion in Voluntary automobile and ¥(0.0) billion in Other) for the year ended March 31, 2015, and net claims paid caused by the heavy snowfall disaster in February, 2014 are ¥8.6 billion (¥7.0 billion in Fire and allied, ¥1.3 billion in Voluntary automobile and ¥0.2 billion in Other) for the year ended March 31, 2014 and ¥37.9 billion (¥35.0 billion in Fire and allied, ¥1.5 billion in Voluntary automobile and ¥1.2 billion in Other) for the year ended March 31, 2015.

(Reference) Incurred losses caused by flooding in Thailand

(Yen in 100 millions)

	Year ended March 31, 2014			Year ended March 31, 2015		
	Incurred losses	Net claims paid	Movement in outstanding claims	Incurred losses	Net claims paid	Movement in outstanding claims
Incurred losses	(203)	366	(569)	(49)	73	(123)

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

(4) Expenses

<Company expenses>

(Yen in 100 millions)

	Items	Year ended March 31, 2014			Year ended March 31, 2015		
		Amount	Change	Change ratio %	Amount	Change	Change ratio %
Personnel expenses	1	1,569	(6)	(0.4)	1,672	103	6.6
Non-personnel expenses	2	1,224	94	8.4	1,244	19	1.6
Taxes and contributions	3	125	2	1.8	120	(4)	(3.8)
Total	4	2,919	90	3.2	3,037	118	4.0

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

<Expenses for underwriting>

(Yen in 100 millions)

	Items	Year ended March 31, 2014			Year ended March 31, 2015		
		Amount	Change	Change ratio %	Amount	Change	Change ratio %
Operating expenses and general and administrative expenses	5	2,045	71	3.6	2,056	10	0.5
Commissions and collection expenses	6	2,390	103	4.5	2,538	147	6.2
Total	7	4,436	175	4.1	4,594	158	3.6
Net expense ratio	8	32.0 %	(0.4) %		31.8 %	(0.2) %	

(5) Outstanding claims

(Yen in 100 millions)

	March 31, 2014		March 31, 2015	
	Balance		Balance	
		Movement		Movement
Fire and allied	1,348	(207)	946	(402)
Marine	304	31	328	24
Personal accident	558	(1)	539	(19)
Voluntary automobile	2,625	138	2,660	34
CALI	517	10	533	15
Other	1,167	111	1,401	233
Total	6,523	84	6,409	(113)

(6) Incurred losses and earned-incurred loss ratio

(Yen in 100 millions)

	Year ended March 31, 2014		Year ended March 31, 2015			
	Incurred losses	Earned-incurred loss ratio	Incurred losses	Change	Earned-incurred loss ratio	Change
		%			%	%
Fire and allied	1,297	71.4	1,089	(208)	57.9	(13.5)
Marine	369	66.2	349	(19)	56.4	(9.8)
Personal accident	872	61.5	858	(14)	58.3	(3.2)
Voluntary automobile	4,001	66.5	3,849	(151)	61.9	(4.6)
Other	1,060	58.1	1,237	176	64.4	6.3
Total	7,602	65.3	7,385	(217)	61.0	(4.3)

(Note) Earned-incurred loss ratio is calculated by the following method:

The calculation is exclusive of residential earthquake insurance and CALI.

Incurred losses = net claims paid + loss adjustment expenses + movement in outstanding claims

Earned premiums are calculated based on unearned premiums (excluding underwriting reserves for natural disasters), premium reserve, etc.

Earned-incurred loss ratio = incurred losses / earned premiums x 100

(7) Underwriting reserves

(Yen in 100 millions)

		March 31, 2015				
		Total underwriting reserves	Ordinary underwriting reserves	Reserve for refunds and dividends to policyholders	Catastrophe reserve	Contingency reserve
Fire and allied	Balance	9,202	6,091	1,928	1,181	0
	Movement	353	308	(132)	176	0
Marine	Balance	1,041	318	-	723	-
	Movement	124	94	-	29	-
Personal accident	Balance	13,871	1,142	12,104	623	1
	Movement	(563)	25	(590)	1	0
Voluntary automobile	Balance	2,232	1,934	79	217	0
	Movement	54	47	(16)	22	0
CALI	Balance	2,166	2,166	-	-	-
	Movement	58	58	-	-	-
Other	Balance	4,633	2,467	611	1,553	0
	Movement	188	117	(12)	83	0
Total	Balance	33,147	14,121	14,723	4,299	2
	Movement	215	651	(751)	314	1

(Note) Reserves for residential earthquake insurance and CALI are included in ordinary underwriting reserves.

(8) Catastrophe reserve

(Yen in 100 millions)

	March 31, 2014		March 31, 2015			
	Balance	Reserve ratio	Reversal	Provision	Balance	Reserve ratio
		%				%
Fire and allied	1,005	47.5	176	352	1,181	53.2
Marine	693	122.3	-	29	723	110.8
Personal accident	621	43.0	45	46	623	41.6
Voluntary automobile	194	3.2	177	200	217	3.5
Other	1,470	77.8	24	108	1,553	77.0
Total	3,985	32.9	424	738	4,299	34.0

(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

(9) Investment assets

(Yen in 100 millions)

	March 31, 2014	March 31, 2015	
			Change
Cash, deposits and savings	3,387	4,002	615
Investments in securities:	45,026	52,053	7,027
Domestic bonds	18,734	20,378	1,643
Domestic stocks	18,097	22,477	4,380
Foreign securities	8,033	8,968	934
Other securities	160	229	69
Loans	5,382	4,986	(395)
Land and buildings	2,239	2,165	(74)
Total	56,035	63,208	7,173

(Reference)

Long-term investment assets	15,356	14,622	(733)
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(Reference) Breakdown of domestic bonds

(Yen in 100 millions)

	March 31, 2014	March 31, 2015	
			Change
Government bonds	11,883	14,195	2,312
Municipal bonds	971	961	(10)
Corporate bonds:	5,879	5,220	(658)
Government agency bonds	1,689	1,420	(269)
Specific financial institution bonds	-	-	-
Other corporate bonds	4,189	3,800	(389)
Total	18,734	20,378	1,643

(10) Breakdown of interest and dividends income

(Yen in 100 millions)

	Year ended March 31, 2014	Year ended March 31, 2015	
			Change
Investments in securities:	947	953	6
Domestic bonds	243	223	(20)
Domestic stocks	349	415	65
Foreign securities	304	286	(17)
Other securities	49	28	(21)
Loans	85	75	(10)
Land and buildings	61	53	(7)
Other	28	23	(5)
Total	1,122	1,106	(16)

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

(Yen in 100 millions)

March 31, 2015	Cost	Fair value	Difference	Change from March 31, 2014
Domestic bonds	19,181	20,378	1,197	342
Domestic stocks	7,202	21,909	14,706	4,124
Foreign securities	3,777	4,166	388	208
Other securities	1,001	1,045	43	0
Total	31,163	47,499	16,335	4,675

(Yen in 100 millions)

March 31, 2014	Cost	Fair value	Difference
Domestic bonds	17,879	18,734	855
Domestic stocks	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)

	Year ended March 31, 2014 Gains/(losses)	Year ended March 31, 2015 Gains/(losses)	Gains	Losses
Domestic bonds	63	6	6	0
Domestic stocks	450	857	857	0
Foreign securities	21	36	37	0
Other securities	13	-	-	-
Total	548	900	901	0

Impairment losses on securities

(Yen in 100 millions)

	Year ended March 31, 2014	Year ended March 31, 2015	Change
Domestic bonds	-	-	-
Domestic stocks	2	0	(2)
Foreign securities	30	33	2
Other securities	-	0	0
Total	33	33	(0)

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

(1) Business Performance

(Yen in 100 millions)

	Items	Year ended March 31, 2014	Year ended March 31, 2015	Change	Change ratio %
(+) Net premiums written	1	11,446	11,608	162	1.4
(-) Net claims paid	2	6,917	6,779	(138)	(2.0)
(-) Loss adjustment expenses	3	520	560	39	7.7
(-) Commissions and collection expenses	4	2,047	2,160	113	5.5
(-) Operating expenses and general and administrative expenses for underwriting	5	1,904	1,902	(2)	(0.1)
Underwriting profit/(loss) before movements in reserves	6	56	206	149	265.2
(-) Movement in outstanding claims	7	371	7	(364)	(98.1)
(-) Movement in ordinary underwriting reserves	8	30	140	110	360.8
(-) Movement in catastrophe reserve	9	(8)	(0)	8	-
(+) Other	10	48	88	39	80.7
Underwriting profit/(loss)	11	(288)	147	436	-
(+) Interest and dividends income	12	654	590	(64)	(9.8)
(-) Transfer of investment income on deposit premiums from policyholders	13	195	188	(6)	(3.4)
Net interest and dividends income (item 12 - item 13)	14	459	401	(57)	(12.5)
(+) Gains/(losses) on sales of securities	15	195	199	4	2.2
(-) Impairment losses on securities	16	36	0	(35)	(98.0)
(+) Other	17	(88)	(85)	2	-
Investment profit/(loss)	18	530	515	(14)	(2.8)
(+) Other ordinary profit/(loss)	19	37	26	(10)	(28.7)
Ordinary profit/(loss)	20	278	689	410	147.2
(+) Extraordinary income/(losses):	21	(56)	(32)	24	-
Gains/(losses) on reserve for price fluctuation	22	(16)	(266)	(250)	-
Income/(loss) before income taxes	23	222	657	435	195.8
(-) Income taxes	24	91	262	171	188.0
Net income/(loss)	25	131	394	263	201.2

Ratios	Net loss ratio	26	65.0 %	63.2 %	(1.8) %	
	Net expense ratio	27	34.5 %	35.0 %	0.5 %	
	Combined ratio	28	99.5 %	98.2 %	(1.3) %	
	Interest and dividends income yield	29	2.55 %	2.34 %	(0.21) %	
	Investment profit yield	30	3.08 %	3.04 %	(0.04) %	

Incurred losses (item 2 + item 7)	31	7,289	6,786	(503)	(6.9)
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- (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. Total investment yield (including unrealized gains and losses): 4.95% for the year ended March 31, 2014, and 11.12% for the year ended March 31, 2015
5. Extraordinary income/(losses) for the year ended March 31, 2014 includes costs related to Reorganization by Function of ¥4.0 billion.
Extraordinary income/(losses) for the year ended March 31, 2015 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. and ¥15.6 billion received in return for transfer of policies of cargo and transportation insurance contracts to Mitsui Sumitomo Insurance Co., Ltd.

(Reference) Business performance excluding residential earthquake insurance and CALI

	Net premiums written	32	9,798	9,926	127	1.3
Ratios	Net loss ratio	33	62.0 %	60.4 %	(1.6) %	
	Net expense ratio	34	36.5 %	37.2 %	0.7 %	
	Combined ratio	35	98.5 %	97.6 %	(0.9) %	

(2) Premiums written

(Yen in 100 millions)

	Net premiums written				Direct premiums written (excluding deposit premiums from policyholders)			
	Year ended March 31, 2014		Year ended March 31, 2015		Year ended March 31, 2014		Year ended March 31, 2015	
	Amount	Change ratio %	Amount	Change ratio %	Amount	Change ratio %	Amount	Change ratio %
Fire and allied	1,357	7.4	1,449	6.8	2,014	5.7	2,140	6.2
Marine	112	17.2	75	(32.5)	99	2.5	43	(56.0)
Personal accident	726	1.0	695	(4.3)	758	0.2	725	(4.3)
Voluntary automobile	6,589	2.2	6,652	1.0	6,416	1.4	6,472	0.9
CALI	1,642	7.5	1,677	2.1	1,818	8.7	1,838	1.1
Other	1,017	4.3	1,058	4.0	1,220	(1.4)	1,216	(0.3)
Total	11,446	3.8	11,608	1.4	12,327	2.8	12,436	0.9

(3) Net claims paid

(Yen in 100 millions)

	Year ended March 31, 2014			Year ended March 31, 2015			
	Amount	Change ratio %	Net loss ratio %	Amount	Change ratio %	Net loss ratio %	Change %
Fire and allied	844	(15.1)	64.8	923	9.4	66.2	1.4
Marine	55	19.4	52.4	45	(17.9)	62.4	10.0
Personal accident	340	(2.9)	50.3	320	(5.8)	49.5	(0.8)
Voluntary automobile	3,849	(3.8)	63.2	3,704	(3.8)	61.0	(2.2)
CALI	1,259	(1.8)	83.0	1,233	(2.0)	80.2	(2.8)
Other	569	(3.0)	59.3	551	(3.2)	55.1	(4.2)
Total	6,917	(4.7)	65.0	6,779	(2.0)	63.2	(1.8)

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

(Reference) Incurred losses caused by natural disasters in Japan

(Yen in 100 millions)

	Year ended March 31, 2014			Year ended March 31, 2015		
	Incurred losses	Net claims paid	Outstanding claims	Incurred losses	Net claims paid	Outstanding claims
Fire and allied	113	103	9	93	85	7
Voluntary automobile	27	27	0	18	17	0
Other	11	6	5	6	4	2
Total	152	137	14	117	107	9

(Note) The above table describes losses caused by natural disasters in Japan (excluding the heavy snowfall disaster in February, 2014) incurred during the respective period. Incurred losses caused by the heavy snowfall disaster in February, 2014 are ¥36.7 billion (¥30.7 billion in Fire and allied, ¥5.0 billion in Voluntary automobile and ¥0.9 billion in Other) for the year ended March 31, 2014 and ¥0.5 billion (¥1.1 billion in Fire and allied, ¥(0.9) billion in Voluntary automobile and ¥0.3 billion in Other) for the year ended March 31, 2015, and net claims paid caused by the heavy snowfall disaster in February, 2014 are ¥9.8 billion (¥6.7 billion in Fire and allied, ¥2.7 billion in Voluntary automobile and ¥0.2 billion in Other) for the year ended March 31, 2014 and ¥26.1 billion (¥23.6 billion in Fire and allied, ¥1.4 billion in Voluntary automobile and ¥1.0 billion in Other) for the year ended March 31, 2015.

(Reference) Incurred losses caused by flooding in Thailand

(Yen in 100 millions)

	Year ended March 31, 2014			Year ended March 31, 2015		
	Incurred losses	Net claims paid	Movement in outstanding claims	Incurred losses	Net claims paid	Movement in outstanding claims
Incurred losses	(26)	34	(61)	(1)	2	(3)

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

(4) Expenses

<Company expenses>

(Yen in 100 millions)

	Items	Year ended March 31, 2014			Year ended March 31, 2015		
		Amount	Change	Change ratio %	Amount	Change	Change ratio %
Personnel expenses	1	1,223	(6)	(0.5)	1,191	(32)	(2.7)
Non-personnel expenses	2	1,164	115	11.0	1,239	74	6.4
Taxes and contributions	3	110	0	0.5	110	(0)	(0.2)
Total	4	2,498	109	4.6	2,540	42	1.7

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

<Expenses for underwriting>

(Yen in 100 millions)

	Items	Year ended March 31, 2014			Year ended March 31, 2015		
		Amount	Change	Change ratio %	Amount	Change	Change ratio %
Operating expenses and general and administrative expenses	5	1,904	102	5.7	1,902	(2)	(0.1)
Commissions and collection expenses	6	2,047	89	4.6	2,160	113	5.5
Total	7	3,951	191	5.1	4,062	111	2.8
Net expense ratio	8	34.5 %	0.4 %		35.0 %	0.5 %	

(5) Outstanding claims

(Yen in 100 millions)

	March 31, 2014		March 31, 2015	
	Balance		Balance	
		Movement		Movement
Fire and allied	654	161	469	(185)
Marine	38	(2)	39	1
Personal accident	276	(2)	259	(16)
Voluntary automobile	2,981	167	2,978	(3)
CALI	482	2	490	7
Other	670	45	874	204
Total	5,104	371	5,111	7

(6) Incurred losses and earned-incurred loss ratio

(Yen in 100 millions)

	Year ended March 31, 2014		Year ended March 31, 2015			
	Incurred losses	Earned-incurred loss ratio	Incurred losses	Change	Earned-incurred loss ratio	Change
		%			%	%
Fire and allied	1,041	76.6	773	(267)	56.3	(20.3)
Marine	56	52.9	48	(7)	53.2	0.3
Personal accident	363	53.4	327	(36)	48.8	(4.6)
Voluntary automobile	4,335	66.3	4,056	(278)	61.3	(5.0)
Other	649	65.2	787	138	75.4	10.2
Total	6,444	66.6	5,994	(450)	61.2	(5.4)

(Note) Earned-incurred loss ratio is calculated by the following method:

The calculation is exclusive of residential earthquake insurance and CALI.

Incurred losses = net claims paid + loss adjustment expenses + movement in outstanding claims

Earned premiums are calculated based on unearned premiums, premium reserve, etc.

Earned-incurred loss ratio = incurred losses / earned premiums x 100

(7) Underwriting reserves

(Yen in 100 millions)

		March 31, 2015				
		Total underwriting reserves	Ordinary underwriting reserves	Reserve for refunds and dividends to policyholders	Catastrophe reserve	Contingency reserve
Fire and allied	Balance	6,832	4,926	918	984	3
	Movement	(120)	72	(132)	(60)	0
Marine	Balance	173	36	-	137	-
	Movement	(5)	(4)	-	(0)	-
Personal accident	Balance	5,460	700	4,144	611	3
	Movement	(281)	24	(328)	22	0
Voluntary automobile	Balance	2,169	1,933	21	213	0
	Movement	38	30	5	1	0
CALI	Balance	2,210	2,210	-	-	-
	Movement	(3)	(3)	-	-	-
Other	Balance	1,935	1,225	166	542	0
	Movement	54	20	(3)	37	(0)
Total	Balance	18,781	11,031	5,250	2,490	7
	Movement	(318)	140	(458)	(0)	-

(Note) Reserves for residential earthquake insurance and CALI are included in ordinary underwriting reserves.

(8) Catastrophe reserve

(Yen in 100 millions)

	March 31, 2014		March 31, 2015			
	Balance	Reserve ratio	Reversal	Provision	Balance	Reserve ratio
		%				%
Fire and allied	1,045	77.3	197	136	984	68.2
Marine	138	123.3	1	0	137	181.8
Personal accident	589	81.1	-	22	611	88.0
Voluntary automobile	212	3.2	212	213	213	3.2
Other	505	49.7	16	53	542	51.3
Total	2,491	25.4	427	427	2,490	25.1

(Note) Reserve ratio = catastrophe reserve / net premiums written (excluding premiums of residential earthquake insurance and CALI) x 100

(9) Investment assets

(Yen in 100 millions)

	March 31, 2014	March 31, 2015	
			Change
Cash, deposits and savings	1,057	1,356	299
Investments in securities:	23,654	25,730	2,076
Domestic bonds	9,696	9,402	(293)
Domestic stocks	7,122	8,983	1,861
Foreign securities	6,441	6,910	469
Other securities	394	433	38
Loans	2,200	2,262	62
Land and buildings	1,721	1,685	(35)
Total	28,632	31,034	2,401

(Reference)

Long-term investment assets	5,692	5,228	(463)
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(Reference) Breakdown of domestic bonds

(Yen in 100 millions)

	March 31, 2014	March 31, 2015	
			Change
Government bonds	6,920	6,699	(221)
Municipal bonds	283	269	(14)
Corporate bonds:	2,492	2,434	(58)
Government agency bonds	453	338	(115)
Specific financial institution bonds	259	298	39
Other corporate bonds	1,778	1,796	17
Total	9,696	9,402	(293)

(10) Breakdown of interest and dividends income

(Yen in 100 millions)

	Year ended March 31, 2014	Year ended March 31, 2015	
			Change
Investments in securities:	565	507	(58)
Domestic bonds	104	102	(1)
Domestic stocks	165	155	(9)
Foreign securities	256	209	(47)
Other securities	39	39	(0)
Loans	36	32	(3)
Land and buildings	46	43	(2)
Other	6	6	(0)
Total	654	590	(64)

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

(Yen in 100 millions)

March 31, 2015	Cost	Fair value	Difference	Change from March 31, 2014
Domestic bonds	8,887	9,402	515	167
Domestic stocks	4,503	8,712	4,209	1,730
Foreign securities	5,276	6,022	746	437
Other securities	285	370	84	43
Total	18,952	24,508	5,556	2,378

(Yen in 100 millions)

March 31, 2014	Cost	Fair value	Difference
Domestic bonds	9,347	9,696	348
Domestic stocks	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)

	Year ended March 31, 2014 Gains/(losses)	Year ended March 31, 2015 Gains/(losses)	Gains	Losses
Domestic bonds	12	10	10	0
Domestic stocks	153	166	171	4
Foreign securities	29	22	69	46
Other securities	-	(0)	-	0
Total	195	199	251	51

Impairment losses on securities

(Yen in 100 millions)

	Year ended March 31, 2014	Year ended March 31, 2015	Change
Domestic bonds	-	-	-
Domestic stocks	34	0	(33)
Foreign securities	1	0	(1)
Other securities	-	-	-
Total	36	0	(35)

4. Earnings Forecasts

(1) MS&AD Insurance Group Holdings, Inc. (Consolidated)

(Yen in 100 millions)

	Items	Forecasts for year ending March 31, 2016	Change from previous year
Net premiums written:	1	30,660	4.3 %
Net premiums written at overseas non-life insurance subsidiaries	2	3,500	19.3 %
Ordinary profit	3	2,420	(450)
Net income attributable to owners of the parent	4	1,570	207
Annual total of dividends per share	5	70.00 yen	5.00 yen

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

(Yen in 100 millions)

	Results for year ended March 31, 2015	Forecasts for year ending March 31, 2016
Direct premiums written (excluding deposit premiums from policyholders)	15,655	16,100
Change ratio	4.9 %	2.8 %
Net premiums written	14,458	14,900
Change ratio	4.4 %	3.1 %
Net loss ratio	62.2 %	60.4 %
Net expense ratio	31.8 %	30.9 %
Combined ratio	94.0 %	91.3 %
Underwriting profit/(loss)	140	380
Net interest and dividends income	706	674
Ordinary profit/(loss)	1,713	1,400
Net income/(loss)	891	970

(Reference) Excluding residential earthquake insurance and CALI

	Results for year ended March 31, 2015	Forecasts for year ending March 31, 2016
Change ratio of net premiums written	4.5 %	3.2 %
Net loss ratio	59.4 %	57.5 %
Net expense ratio	33.9 %	32.9 %
Combined ratio	93.3 %	90.4 %

Forecasts by line of insurance for the year ending March 31, 2016

(Yen in 100 millions)

	Net premiums written		Net loss ratio	
		Change ratio		Change ratio
Fire and allied	2,217	(0.4)%	55.6 %	(11.4)%
Marine	715	9.5 %	51.9 %	2.0 %
Personal accident	1,397	(6.7)%	59.1 %	0.4 %
Voluntary automobile	6,458	3.1 %	60.3 %	(0.6)%
CALI	1,834	1.8 %	81.5 %	(0.3)%
Other	2,279	12.9 %	51.9 %	2.2 %
Total	14,900	3.1 %	60.4 %	(1.8)%

(Note) Direct premiums written (excluding deposit premiums from policyholders) and net premiums written in the above tables 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.

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

(Yen in 100 millions)

	Results for year ended March 31, 2015	Forecasts for year ending March 31, 2016
Direct premiums written (excluding deposit premiums from policyholders)	12,436	12,516
Change ratio	0.9 %	0.6 %
Net premiums written	11,608	11,820
Change ratio	1.4 %	1.8 %
Net loss ratio	63.2 %	61.8 %
Net expense ratio	35.0 %	34.5 %
Combined ratio	98.2 %	96.3 %
Underwriting profit/(loss)	147	280
Net interest and dividends income	401	321
Ordinary profit/(loss)	689	530
Net income/(loss)	394	320

(Reference) Excluding residential earthquake insurance and CALI

	Results for year ended March 31, 2015	Forecasts for year ending March 31, 2016
Change ratio of net premiums written	1.3 %	1.7 %
Net loss ratio	60.4 %	58.9 %
Net expense ratio	37.2 %	36.7 %
Combined ratio	97.6 %	95.6 %

Forecasts by line of insurance for the year ending March 31, 2016

(Yen in 100 millions)

	Net premiums written		Net loss ratio	
		Change ratio		Change ratio
Fire and allied	1,548	6.8 %	55.0 %	(11.2)%
Marine	62	(18.2)%	56.5 %	(5.9)%
Personal accident	640	(7.9)%	50.3 %	0.8 %
Voluntary automobile	6,731	1.2 %	60.6 %	(0.4)%
CALI	1,716	2.3 %	79.5 %	(0.7)%
Other	1,123	6.1 %	58.7 %	3.6 %
Total	11,820	1.8 %	61.8 %	(1.4)%

(Medium-term management plan)

(Yen in 100 millions)

	Results for year ended March 31, 2015	Numerical Management Targets for year ending March 31, 2016 ^(Note 1)	Forecasts for year ending March 31, 2016
Net premiums written	29,407	30,000	30,660
Group Core Profit	1,557	1,200	1,510
Group ROE	5.9 %	5.4 %	5.0 %

(Reference)

(Yen in 100 millions)

	Numerical Management Targets for year ending March 31, 2018 ^(Note 1)	Outlook for year ending March 31, 2018 ^(Note 2)
Net premiums written	31,000	32,000
Group Core Profit	1,600	2,000
Group ROE	7.0 %	(Note 3)

(Notes)

1. Numerical management targets are the targets set in the “Medium-term Management Plan 2014-2017” announced in June, 2014.
2. Forecasts are updated based on the current environment, but the numerical management targets remain unchanged.
3. While an increase in net assets due to a rise in equity markets has an adverse impact against the Group ROE, the Group will make continuous efforts to achieve the ROE target (7%).

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

Group ROE = Group Core Profit / Consolidated net assets (excluding minority interests; average of beginning and ending balances)

[Supplementary Information]

1. Supplementary Information on Consolidated Business Results

(1) 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	Year ended March 31, 2014			Year ended March 31, 2015		
	Amount	Share (%)	Change ratio (%)	Amount	Share (%)	Change ratio (%)
Fire and allied	590,674	18.3	7.7	625,179	18.7	5.8
Marine	121,387	3.8	12.5	131,030	3.9	7.9
Personal accident	347,562	10.8	(1.4)	341,241	10.2	(1.8)
Voluntary automobile	1,378,126	42.8	3.8	1,421,126	42.4	3.1
CALI	352,649	10.9	9.6	355,417	10.6	0.8
Other	432,409	13.4	10.5	476,209	14.2	10.1
Total:	3,222,809	100.0	5.7	3,350,204	100.0	4.0
Deposit premiums from policyholders	151,449	4.7	(7.6)	138,799	4.1	(8.4)

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

Voluntary Automobile	1,376,097		3.6	1,422,770		3.4
Total	3,220,780		5.6	3,351,848		4.1

Net Premiums Written by Line of Insurance

(Yen in millions)

Lines of Insurance	Year ended March 31, 2014			Year ended March 31, 2015		
	Amount	Share (%)	Change ratio (%)	Amount	Share (%)	Change ratio (%)
Fire and allied	398,163	14.2	12.5	425,881	14.5	7.0
Marine	97,054	3.5	11.2	103,389	3.5	6.5
Personal accident	227,546	8.1	2.1	230,991	7.9	1.5
Voluntary automobile	1,393,198	49.5	4.2	1,438,002	48.9	3.2
CALI	338,245	12.0	8.9	348,356	11.8	3.0
Other	357,402	12.7	9.2	392,491	13.4	9.8
Total	2,811,611	100.0	6.5	2,939,113	100.0	4.5

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

Voluntary automobile	1,391,169		4.0	1,439,646		3.5
Total	2,809,581		6.4	2,940,756		4.7

Net Claims Paid by Line of Insurance

(Yen in millions)

Lines of Insurance	Year ended March 31, 2014			Year ended March 31, 2015		
	Amount	Share (%)	Change ratio (%)	Amount	Share (%)	Change ratio (%)
Fire and allied	252,695	15.1	(20.0)	259,270	15.7	2.6
Marine	51,532	3.1	27.3	46,430	2.8	(9.9)
Personal accident	115,636	6.9	1.9	114,136	6.9	(1.3)
Voluntary automobile	805,460	48.2	(3.1)	786,916	47.7	(2.3)
CALI	261,349	15.7	(1.3)	258,095	15.6	(1.2)
Other	183,667	11.0	4.9	185,698	11.3	1.1
Total	1,670,343	100.0	(4.0)	1,650,547	100.0	(1.2)

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

(2) Information on Risk-monitored Loans

(Yen in millions)

	March 31, 2014	March 31, 2015	Change
Loans to borrowers in bankruptcy	70	3	(67)
Overdue loans	3,212	824	(2,387)
Loans overdue for three months or more	1,221	832	(388)
Restructured loans	4,636	1,913	(2,722)
Total	9,142	3,575	(5,566)
Ratio to total loans	1.1 %	0.5 %	(0.6)%
(Reference) Total loans	807,300	775,816	(31,483)

(Notes) Definitions of the loans are as follows.

(1) Loans to borrowers in bankruptcy

Loans to borrowers in bankruptcy represent those, excluding any part of bad debts that have been written off, on which accrued interest receivables are not recognized because repayments of the principal or interest have been overdue for considerable periods and regarded uncollectible (hereinafter, this category is referred to as “Loans not accruing interest”) and which meet the conditions prescribed in Article 96, Section 1-3 or 1-4 of the Corporation Tax Act Enforcement Ordinance (Cabinet Order No.97, 1965).

(2) Overdue loans

Overdue loans represent loans not accruing interest excluding (a) loans to borrowers in bankruptcy and (b) loans that have been granted a grace period for interest payments in order to assist the debtors’ operational restructuring or financial recovery.

(3) Loans overdue for three months or more

Loans overdue for three months or more represent those of which the principal or interest has been past due for three months or more after the contractual due date for repayments of the principal or interest. The loans to borrowers in bankruptcy and overdue loans are excluded from this category.

(4) Restructured loans

Restructured loans represent those which have been granted favorable terms for the benefit of the debtors, such as interest exemption or reduction, grace period for interest payments, grace period for principal repayments or forgiveness of debts for the purpose of the restructuring of, or support to the debtors in financial difficulty. The loans to borrowers in bankruptcy, overdue loans and loans overdue for three months or more are excluded from this category.

2. Summary of Business Results of Main Consolidated Subsidiaries

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

Non-Consolidated Balance Sheets

(Yen in millions)

Items	March 31, 2014	March 31, 2015
(Assets)		
Cash, deposits and savings:	188,728	215,030
Cash on hand	174	124
Deposits in banks	188,554	214,906
Call loans	50,000	40,000
Receivables under resale agreements	23,997	36,497
Monetary claims bought	65,781	95,949
Money trusts	10,371	12,913
Investments in securities:	4,502,619	5,205,386
Government bonds	1,188,375	1,419,581
Municipal bonds	97,187	96,178
Corporate bonds	587,928	522,086
Domestic stocks	1,809,709	2,247,738
Foreign securities	803,384	896,805
Other securities	16,034	22,996
Loans:	538,224	498,639
Policy loans	9,834	8,953
General loans	528,389	489,686
Tangible fixed assets:	238,938	228,560
Land	87,736	85,729
Buildings	136,237	130,824
Construction in progress	2,528	1,327
Other tangible fixed assets	12,436	10,679
Intangible fixed assets:	40,101	49,661
Software	37,594	28,784
Other intangible fixed assets	2,507	20,877
Other assets:	406,584	362,144
Premiums receivable	4,032	4,145
Due from agencies	105,621	113,039
Co-insurance accounts receivable	9,161	6,405
Reinsurance accounts receivable	57,037	55,826
Foreign reinsurance accounts receivable	91,483	39,437
Agency business accounts receivable	213	237
Other receivables	28,363	27,724
Accrued income	6,180	6,230
Guarantee deposits	12,414	11,730
Deposits with the Japan Earthquake Reinsurance Company	9,932	10,584
Suspense payments	39,659	41,454
Variation margins of futures markets	0	-
Derivative financial instruments	41,154	44,147
Other assets	1,329	1,179
Customers' liabilities under acceptances and guarantees	49,094	52,214
Bad debt reserve	(16,423)	(6,977)
Total assets	6,098,017	6,790,021

(Yen in millions)

Items	March 31, 2014	March 31, 2015
(Liabilities)		
Policy liabilities:	3,945,530	3,955,703
Outstanding claims	652,310	640,913
Underwriting reserves	3,293,219	3,314,789
Bonds issued	176,185	176,188
Other liabilities:	344,318	407,453
Co-insurance accounts payable	11,925	10,561
Reinsurance accounts payable	54,777	59,080
Foreign reinsurance accounts payable	27,092	29,780
Agency business accounts payable	34	36
Borrowings	100,000	100,000
Income taxes payable	4,890	6,508
Deposits received	16,166	19,344
Unearned income	103	90
Other payables	25,853	46,583
Suspense receipts	23,096	21,527
Derivative financial instruments	9,119	2,405
Cash collateral received under derivative transactions	62,061	106,136
Lease obligations	1,706	1,185
Asset retirement obligations	4,634	3,710
Other liabilities	2,858	501
Reserve for pension and retirement benefits	139,895	137,329
Reserve for retirement benefits for officers	1,070	912
Accrued bonuses for employees	11,249	12,387
Reserves under the special laws:	19,731	60,519
Reserve for price fluctuation	19,731	60,519
Deferred tax liabilities	101,331	254,567
Acceptances and guarantees	49,094	52,214
Total liabilities	4,788,409	5,057,276
(Net assets)		
Common stock	139,595	139,595
Capital surplus:	93,107	93,107
Additional paid-in capital	93,107	93,107
Retained earnings:	240,357	294,673
Legal earned reserve	46,487	46,487
Other retained earnings:	193,869	248,185
Tax-exempted reserve for accelerated depreciation	15,385	15,406
Retained earnings brought forward	178,484	232,779
Total shareholders' equity	473,061	527,376
Net unrealized gains/(losses) on investments in securities	813,116	1,173,227
Net deferred gains/(losses) on hedges	23,430	32,140
Total valuation and translation adjustments	836,547	1,205,368
Total net assets	1,309,608	1,732,745
Total liabilities and net assets	6,098,017	6,790,021

Non-Consolidated Statements of Income

(Yen in millions)

Items	Year ended March 31, 2014	Year ended March 31, 2015
Ordinary income:	1,731,374	1,787,587
Underwriting income:	1,586,564	1,606,863
Net premiums written	1,386,533	1,444,176
Deposit premiums from policyholders	113,037	104,342
Investment income on deposit premiums from policyholders	41,343	39,981
Reversal of outstanding claims	-	11,397
Reversal of underwriting reserves	44,570	-
Foreign exchange gains	971	6,284
Other underwriting income	107	682
Investment income:	141,633	174,526
Interest and dividends income	112,260	110,618
Investment gains on money trusts	295	1,268
Gains on sales of securities	55,999	90,115
Gains on redemption of securities	1,778	1,658
Gains on derivative transactions	9,829	1,078
Foreign exchange gains	1,460	9,163
Other investment income	1,352	603
Transfer of investment income on deposit premiums from policyholders	(41,343)	(39,981)
Other ordinary income	3,176	6,197
Ordinary expenses:	1,629,375	1,616,259
Underwriting expenses:	1,388,165	1,386,306
Net claims paid	823,665	810,853
Loss adjustment expenses	77,425	88,020
Commissions and collection expenses	239,034	253,813
Maturity refunds to policyholders	238,511	210,769
Dividends to policyholders	594	796
Provision for outstanding claims	8,441	-
Provision for underwriting reserves	-	21,569
Other underwriting expenses	493	484
Investment expenses:	8,415	8,059
Losses on sales of securities	1,188	57
Impairment losses on securities	3,391	3,378
Losses on redemption of securities	714	250
Other investment expenses	3,120	4,373
Operating expenses and general and administrative expenses	214,537	215,765
Other ordinary expenses:	18,258	6,128
Interest expense	7,003	5,888
Provision for bad debts	11,018	-
Losses on bad debts	2	1
Other ordinary expenses	234	237
Ordinary profit	101,998	171,328
Extraordinary income:	4,162	10,323
Gains on sales of fixed assets	4,162	8,523
Other extraordinary income	-	1,800
Extraordinary losses:	21,615	44,051
Losses on sales of fixed assets	2,611	1,862
Impairment losses on fixed assets	240	1,400
Provision for reserves under the special laws:	14,580	40,788
Provision for reserve for price fluctuation	14,580	40,788
Other extraordinary losses	4,182	-
Income before income taxes	84,545	137,599
Income taxes - current	2,512	9,702
Income taxes - deferred	23,985	38,782
Total income taxes	26,497	48,485
Net income	58,047	89,114

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	March 31, 2015
(A) Total amount of solvency margin	2,120,694	2,667,909
Total net assets	456,862	493,977
Reserve for price fluctuation	19,731	60,519
Contingency reserve	175	284
Catastrophe reserve	410,755	442,547
General bad debt reserve	1,420	231
Net unrealized gains/(losses) on investments in securities (prior to tax effect deductions)	1,054,940	1,480,735
Net unrealized gains/(losses) on land	31,656	30,905
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	38,129
Others	82,117	90,644
(B) Total amount of risks $\sqrt{(R_1 + R_2)^2 + (R_3 + R_4)^2} + R_5 + R_6$	706,497	818,935
General insurance risk (R_1)	113,474	115,263
Insurance risk of third sector insurance contracts (R_2)	-	-
Assumed interest rate risk (R_3)	19,248	18,400
Asset management risk (R_4)	527,293	613,976
Business administration risk (R_5)	15,849	18,113
Catastrophe risk (R_6)	132,450	158,026
(C) Solvency margin ratio $[(A) / \{(B) \times 1/2\}] \times 100$	600.3 %	651.5 %

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

Non-Consolidated Balance Sheets

(Yen in millions)

Items	March 31, 2014	March 31, 2015
(Assets)		
Cash, deposits and savings:	81,958	103,797
Cash on hand	23	24
Deposits in banks	81,935	103,773
Call loans	21,000	29,000
Monetary claims bought	477	213
Money trusts	2,310	2,664
Investments in securities:	2,365,453	2,573,085
Government bonds	692,038	669,919
Municipal bonds	28,354	26,939
Corporate bonds	249,226	243,417
Domestic stocks	712,217	898,390
Foreign securities	644,154	691,077
Other securities	39,461	43,341
Loans:	220,015	226,229
Policy loans	4,632	4,244
General loans	215,383	221,984
Tangible fixed assets:	183,620	180,678
Land	83,882	82,848
Buildings	88,221	85,658
Lease assets	98	75
Construction in progress	2,325	3,253
Other tangible fixed assets	9,092	8,843
Intangible fixed assets:	33,390	28,968
Software	30,932	24,283
Other intangible fixed assets	2,457	4,684
Other assets:	222,050	272,452
Premiums receivable	3,403	2,951
Due from agencies	53,499	69,995
Due from foreign agencies	1,744	874
Co-insurance accounts receivable	4,853	3,472
Reinsurance accounts receivable	55,579	55,633
Foreign reinsurance accounts receivable	26,251	33,130
Agency business accounts receivable	-	107
Other receivables	24,415	48,507
Accrued income	9,498	8,770
Guarantee deposits	7,475	7,279
Deposits with the Japan Earthquake Reinsurance Company	6,931	7,376
Suspense payments	27,132	25,119
Derivative financial instruments	1,266	9,232
Prepaid pension expenses	43,472	45,088
Deferred tax assets	78,076	-
Customers' liabilities under acceptances and guarantees	7,500	10,500
Bad debt reserve	(2,146)	(1,970)
Total assets	3,257,180	3,470,706

(Yen in millions)

Items	March 31, 2014	March 31, 2015
(Liabilities)		
Policy liabilities:	2,420,418	2,389,245
Outstanding claims	510,416	511,118
Underwriting reserves	1,910,002	1,878,127
Bonds issued	50,000	50,000
Other liabilities:	153,051	163,817
Co-insurance accounts payable	3,799	3,635
Reinsurance accounts payable	54,260	54,839
Foreign reinsurance accounts payable	23,014	24,507
Agency business accounts payable	-	1,592
Borrowings	11	10
Income taxes payable	2,790	4,640
Deposits received	2,546	2,479
Unearned income	30	28
Other payables	22,325	25,588
Suspense receipts	20,850	19,155
Derivative financial instruments	15,276	20,344
Cash collateral received under derivative transactions	7,258	6,228
Lease obligations	328	218
Asset retirement obligations	558	548
Other liabilities	0	0
Reserve for pension and retirement benefits	13,775	17,197
Accrued bonuses for employees	5,962	6,241
Reserve for Reorganization by Function	3,040	754
Reserves under the special laws:	3,239	29,883
Reserve for price fluctuation	3,239	29,883
Deferred tax liabilities	-	6,144
Acceptances and guarantees	7,500	10,500
Total liabilities	2,656,987	2,673,785
(Net assets)		
Common stock	100,005	100,005
Capital surplus:	81,210	81,207
Additional paid-in capital	52,593	52,593
Other capital surplus	28,616	28,614
Retained earnings:	197,397	218,478
Legal earned reserve	45,657	47,411
Other retained earnings:	151,739	171,066
Retained earnings brought forward	151,739	171,066
Total shareholders' equity	378,612	399,691
Net unrealized gains/(losses) on investments in securities	221,580	397,230
Total valuation and translation adjustments	221,580	397,230
Total net assets	600,192	796,921
Total liabilities and net assets	3,257,180	3,470,706

Non-Consolidated Statements of Income

(Yen in millions)

Items	Year ended March 31, 2014	Year ended March 31, 2015
Ordinary income:	1,317,805	1,323,230
Underwriting income:	1,245,805	1,252,369
Net premiums written	1,144,629	1,160,867
Deposit premiums from policyholders	38,412	34,457
Investment income on deposit premiums from policyholders	19,543	18,871
Reversal of underwriting reserves	39,299	31,874
Foreign exchange gains	1,643	1,740
Other underwriting income	2,277	4,556
Investment income:	68,951	65,767
Interest and dividends income	65,460	59,039
Investment gains on money trusts	0	0
Gains on sales of securities	22,610	25,135
Gains on redemption of securities	98	69
Foreign exchange gains	71	251
Other investment income	252	142
Transfer of investment income on deposit premiums from policyholders	(19,543)	(18,871)
Other ordinary income	3,048	5,093
Ordinary expenses:	1,289,907	1,254,257
Underwriting expenses:	1,081,170	1,044,957
Net claims paid	691,799	677,923
Loss adjustment expenses	52,052	56,048
Commissions and collection expenses	204,705	216,038
Maturity refunds to policyholders	93,535	92,519
Dividends to policyholders	123	61
Provision for outstanding claims	37,195	702
Other underwriting expenses	1,758	1,664
Investment expenses:	9,828	8,377
Losses on sales of securities	3,066	5,162
Impairment losses on securities	3,632	71
Losses on derivative transactions	1,526	2,104
Other investment expenses	1,603	1,038
Operating expenses and general and administrative expenses	197,823	198,042
Other ordinary expenses:	1,086	2,879
Interest expense	759	757
Losses on bad debts	2	18
Other ordinary expenses	324	2,103
Ordinary profit	27,897	68,973
Extraordinary income:	1,009	25,913
Gains on sales of fixed assets	1,009	313
Other extraordinary income	-	25,600
Extraordinary losses:	6,676	29,130
Losses on sales of fixed assets	920	871
Impairment losses on fixed assets	63	1,614
Provision for reserves under the special laws:	1,614	26,644
Provision for reserve for price fluctuation	1,614	26,644
Other extraordinary losses	4,077	-
Income before income taxes	22,230	65,755
Income taxes - current	2,057	4,271
Income taxes - deferred	7,065	22,003
Total income taxes	9,123	26,275
Net income	13,107	39,480

Non-Consolidated Solvency Margin Ratio

(Yen in millions)

	March 31, 2014	March 31, 2015
(A) Total amount of solvency margin	1,027,044	1,285,586
Total net assets	369,512	383,791
Reserve for price fluctuation	3,239	29,883
Contingency reserve	747	747
Catastrophe reserve	257,490	257,666
General bad debt reserve	418	387
Net unrealized gains/(losses) on investments in securities (prior to tax effect deductions)	287,683	501,764
Net unrealized gains/(losses) on land	2,038	5,273
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	9,945
Others	65,866	66,017
(B) Total amount of risks $\sqrt{(R_1 + R_2)^2 + (R_3 + R_4)^2} + R_5 + R_6$	272,396	319,429
General insurance risk (R_1)	101,281	98,452
Insurance risk of third sector insurance contracts (R_2)	-	-
Assumed interest rate risk (R_3)	9,911	9,381
Asset management risk (R_4)	179,721	227,288
Business administration risk (R_5)	6,829	7,808
Catastrophe risk (R_6)	50,581	55,290
(C) Solvency margin ratio [(A) / {(B) x 1/2}] x 100	754.0 %	804.9 %

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

Non-Consolidated Balance Sheets

(Yen in millions)

Items	March 31, 2014	March 31, 2015
(Assets)		
Cash, deposits and savings:	3,319	3,029
Deposits in banks	3,319	3,029
Investments in securities:	35,104	35,244
Government bonds	10,906	5,544
Municipal bonds	13,137	16,678
Corporate bonds	11,060	13,021
Tangible fixed assets:	212	146
Buildings	41	38
Other tangible fixed assets	170	107
Intangible fixed assets:	2,073	2,259
Software	2,071	2,258
Other intangible fixed assets	2	1
Other assets:	5,878	5,729
Premiums receivable	0	0
Reinsurance accounts receivable	-	1
Other receivables	3,421	3,359
Accrued income	43	47
Guarantee deposits	308	308
Suspense payments	2,103	2,010
Other assets	2	1
Bad debt reserve	(3)	(0)
Total assets	46,584	46,408
(Liabilities)		
Policy liabilities:	34,079	37,877
Outstanding claims	14,582	18,538
Underwriting reserves	19,497	19,338
Other liabilities:	988	1,373
Reinsurance accounts payable	1	0
Income taxes payable	99	107
Other payables	856	1,237
Suspense receipts	18	15
Asset retirement obligations	12	13
Accrued bonuses for employees	214	216
Reserves under the special laws:	34	41
Reserve for price fluctuation	34	41
Deferred tax liabilities	44	81
Total liabilities	35,360	39,590
(Net assets)		
Common stock	32,600	32,600
Capital surplus:	2,500	2,500
Additional paid-in capital	2,500	2,500
Retained earnings:	(24,054)	(28,389)
Other retained earnings:	(24,054)	(28,389)
Retained earnings brought forward	(24,054)	(28,389)
Total shareholders' equity	11,045	6,710
Net unrealized gains/(losses) on investments in securities	178	106
Total valuation and translation adjustments	178	106
Total net assets	11,223	6,817
Total liabilities and net assets	46,584	46,408

Non-Consolidated Statements of Income

(Yen in millions)

Items	Year ended March 31, 2014	Year ended March 31, 2015
Ordinary income:	35,791	35,363
Underwriting income:	35,628	35,230
Net premiums written	35,567	35,053
Investment income on deposit premiums from policyholders	16	18
Reversal of underwriting reserves	44	158
Other underwriting income	-	0
Investment income:	156	118
Interest and dividends income	149	136
Gains on sales of securities	22	0
Transfer of investment income on deposit premiums from policyholders	(16)	(18)
Other ordinary income	6	14
Ordinary expenses:	35,492	39,599
Underwriting expenses:	28,321	31,793
Net claims paid	24,672	24,984
Loss adjustment expenses	2,468	2,661
Commissions and collection expenses	190	190
Provision for outstanding claims	988	3,956
Other underwriting expenses	0	0
Investment expenses:	-	3
Losses on sales of securities	-	3
Operating expenses and general and administrative expenses	7,169	7,801
Other ordinary expenses:	2	1
Provision for bad debts	0	-
Other ordinary expenses	1	1
Ordinary profit/(loss)	298	(4,236)
Extraordinary income	-	-
Extraordinary losses:	17	8
Losses on sales of fixed assets	10	1
Impairment losses on fixed assets	0	-
Provision for reserves under the special laws:	6	7
Provision for reserve for price fluctuation	6	7
Income/(loss) before income taxes	281	(4,244)
Income taxes - current	13	17
Income taxes - deferred	34	72
Total income taxes	48	90
Net income/(loss)	232	(4,334)

Non-Consolidated Solvency Margin Ratio

(Yen in millions)

	March 31, 2014	March 31, 2015
(A) Total amount of solvency margin	12,460	8,023
Total net assets	11,045	6,710
Reserve for price fluctuation	34	41
Contingency reserve	0	0
Catastrophe reserve	1,147	1,135
General bad debt reserve	1	0
Net unrealized gains/(losses) on investments in securities (prior to tax effect deductions)	231	135
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	6,269
General insurance risk (R_1)	5,378	5,719
Insurance risk of third sector insurance contracts (R_2)	-	-
Assumed interest rate risk (R_3)	0	0
Asset management risk (R_4)	735	735
Business administration risk (R_5)	192	202
Catastrophe risk (R_6)	300	300
(C) Solvency margin ratio [(A) / {(B) x 1/2}] x 100	420.8 %	255.9 %

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

Non-Consolidated Balance Sheets

(Yen in millions)

Items	March 31, 2014	March 31, 2015
(Assets)		
Cash, deposits and savings:	30,830	22,693
Cash on hand	0	0
Deposits in banks	30,830	22,693
Call loans	458	1,642
Receivables under securities borrowing transactions	228,706	326,525
Investments in securities:	2,285,544	2,548,787
Government bonds	1,336,675	1,483,742
Municipal bonds	112,322	115,568
Corporate bonds	746,067	758,835
Domesitc stocks	1,021	1,633
Foreign securities	86,295	184,942
Other securities	3,161	4,064
Loans:	49,470	51,282
Policy loans	49,470	51,282
Tangible fixed assets:	1,882	5,509
Buildings	259	681
Lease assets	698	2,853
Other tangible fixed assets	924	1,974
Intangible fixed assets:	4,039	14,674
Software	3,758	3,507
Other intangible fixed assets	280	11,167
Due from agencies	225	211
Reinsurance accounts receivable	694	1,207
Other assets:	34,279	36,794
Other receivables	26,472	27,555
Prepaid expenses	556	1,761
Accrued income	6,091	6,666
Guarantee deposits	1,010	316
Derivative financial instruments	-	104
Suspense payments	123	364
Other assets	24	24
Bad debt reserve	(78)	(64)
Total assets	2,636,052	3,009,263

(Yen in millions)

Items	March 31, 2014	March 31, 2015
(Liabilities)		
Policy liabilities:	2,242,550	2,463,382
Outstanding claims	21,204	22,786
Underwriting reserves	2,214,832	2,433,517
Reserve for dividends to policyholders	6,514	7,077
Due to agencies	5,281	5,395
Reinsurance accounts payable	282	272
Other liabilities:	238,290	341,806
Payables under securities lending transactions	229,164	328,168
Income taxes payable	2,120	2,787
Other payables	146	114
Accrued expenses	4,720	5,729
Unearned income	0	0
Deposits received	80	81
Derivative financial instruments	54	636
Lease obligations	751	3,093
Asset retirement obligations	364	422
Suspense receipts	887	773
Reserve for pension and retirement benefits	1,609	1,874
Reserve for retirement benefits for officers	50	41
Reserves under the special laws:	3,912	4,527
Reserve for price fluctuation	3,912	4,527
Deferred tax liabilities	12,075	22,823
Total liabilities	2,504,052	2,840,124
(Net assets)		
Common stock	35,500	35,500
Capital surplus:	43,688	43,688
Additional paid-in capital	13,214	13,214
Other capital surplus	30,473	30,473
Retained earnings:	(8,908)	(4,501)
Other retained earnings:	(8,908)	(4,501)
Retained earnings brought forward	(8,908)	(4,501)
Total shareholders' equity	70,279	74,686
Net unrealized gains/(losses) on investments in securities	61,719	94,452
Total valuation and translation adjustments	61,719	94,452
Total net assets	131,999	169,139
Total liabilities and net assets	2,636,052	3,009,263

Non-Consolidated Statements of Income

(Yen in millions)

Items	Year ended March 31, 2014	Year ended March 31, 2015
Ordinary income:	461,125	487,594
Insurance premiums and others:	417,609	443,141
Insurance premiums	416,743	441,821
Reinsurance income	866	1,319
Investment income:	41,598	42,297
Interest and dividends income:	36,885	39,914
Interest on deposits	0	0
Interest and dividends on securities	35,119	38,079
Interest on loans	1,452	1,491
Other interest and dividends	313	343
Gains on sales of securities	4,690	2,351
Foreign exchange gains	-	16
Reversal of bad debts	22	13
Other ordinary income:	1,917	2,155
Receipts of annuities with special conditions	608	554
Receipts of deferred insurance claims	1,212	1,401
Other ordinary income	95	199
Ordinary expenses:	443,662	471,656
Insurance claims and others:	166,634	164,469
Insurance claims	43,837	36,241
Annuity payments	9,954	11,196
Benefits	12,574	13,689
Surrender benefits	96,715	98,608
Other refunds	2,157	3,274
Reinsurance premiums	1,395	1,458
Provision for underwriting reserves and others:	197,131	220,268
Provision for outstanding claims	1,780	1,582
Provision for underwriting reserves	195,350	218,685
Provision for interest portion of reserve for dividends to policyholders	0	0
Investment expenses:	1,100	676
Interest expense	306	288
Losses on sales of securities	756	206
Losses on derivative transactions	10	146
Foreign exchange losses	0	-
Other investment expenses	26	34
Operating expenses	71,075	75,819
Other ordinary expenses:	7,719	10,421
Payments of deferred insurance claims	875	1,109
Taxes	4,086	6,136
Depreciation	2,460	2,827
Provision for reserve for pension and retirement benefits	290	265
Other ordinary expenses	7	83
Ordinary profit	17,462	15,937
Extraordinary income:	3	3
Gains on sales of fixed assets	3	3
Extraordinary losses:	649	1,358
Losses on sales of fixed assets	34	743
Impairment losses on fixed assets	109	-
Provision for reserves under the special laws:	506	614
Provision for reserve for price fluctuation	506	614
Provision for reserve for dividends to policyholders	5,749	6,407
Income before income taxes	11,067	8,175
Income taxes - current	2,248	3,845
Income taxes - deferred	2,137	(76)
Total income taxes	4,385	3,768
Net income	6,681	4,406

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

(Yen in millions)

	March 31, 2014		March 31, 2015	
	Number of policies (in thousands)	Amount	Number of policies (in thousands)	Amount
Individual insurance	2,406	20,317,959	2,600	21,127,677
Individual annuities	187	787,086	186	766,354
Group insurance	-	5,124,978	-	5,301,496
Group annuities	-	399	-	330

(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)

	Year ended March 31, 2014				Year ended March 31, 2015			
	Number of policies (in thousands)	Amount	New policies	Net increase by conversion	Number of policies (in thousands)	Amount	New policies	Net increase by conversion
Individual insurance	289	2,592,193	2,592,193	-	338	2,444,852	2,444,852	-
Individual annuities	10	80,016	80,016	-	6	36,330	36,330	-
Group insurance	-	104,852	104,852	-	-	88,702	88,702	-
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	March 31, 2015
Individual insurance	291,663	312,358
Individual annuities	44,191	43,621
Total:	335,854	355,979
Medical coverage, living benefits, etc.	61,175	70,522

(2) New policies

(Yen in millions)

	Year ended March 31, 2014	Year ended March 31, 2015
Individual insurance	38,311	44,419
Individual annuities	4,077	2,035
Total:	42,389	46,454
Medical coverage, living benefits, etc.	10,910	14,470

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

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

Non-Consolidated Business Performance

(Yen in millions)

	Year ended March 31, 2014	Year ended March 31, 2015	Change
Fundamental revenues:	456,439	485,214	28,775
Insurance premiums and others	417,609	443,141	25,531
Fundamental expenses	441,043	469,103	28,060
Fundamental profit	15,395	16,111	715
Capital gains/(losses)	3,923	2,015	(1,908)
Non-recurring gains/(losses)	(1,857)	(2,188)	(331)
Ordinary profit	17,462	15,937	(1,525)
Extraordinary income	3	3	(0)
Extraordinary losses	649	1,358	708
Provision for reserve for dividends to policyholders	5,749	6,407	658
Income taxes	4,385	3,768	(616)
Net income	6,681	4,406	(2,275)

Non-Consolidated Solvency Margin Ratio

(Yen in millions)

	March 31, 2014	March 31, 2015
(A) Total amount of solvency margin	276,449	330,141
Total capital	70,279	74,686
Reserve for price fluctuation	3,912	4,527
Contingency reserve	23,652	25,852
General bad debt reserve	12	9
Net unrealized gains/(losses) on investments in securities x 90%	80,190	119,392
Net unrealized gains/(losses) on land x 85%	-	-
Excess of continued Zillmerized reserve (a)	128,068	134,117
Subordinated debts, etc. (b)	-	-
Amount excluded from the margin, out of (a) and (b)	(29,945)	(28,747)
Brought in capital	-	-
Deductions	-	-
Others	277	304
(B) Total amount of risks $\sqrt{(R_1 + R_8)^2 + (R_2 + R_3 + R_7)^2} + R_4$	43,710	46,175
Insurance risk (R ₁)	14,298	14,832
Insurance risk of third sector insurance contracts (R ₈)	6,082	7,572
Assumed interest rate risk (R ₂)	2,958	3,011
Minimum guarantee risk (R ₇)	-	-
Asset management risk (R ₃)	33,761	35,269
Business administration risk (R ₄)	1,713	1,820
(C) Solvency margin ratio [(A) / {(B) x 1/2}] x 100	1,264.9 %	1,429.9 %

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

Non-Consolidated Balance Sheets

(Yen in millions)

Items	March 31, 2014	March 31, 2015
(Assets)		
Cash, deposits and savings:	40,523	23,623
Deposits in banks	40,523	23,623
Call loans	7,191	129,694
Money trusts	680,806	526,168
Investments in securities:	3,350,422	3,852,767
Government bonds	131,735	59,500
Municipal bonds	1,856	11,965
Corporate bonds	-	38,078
Foreign securities	663,237	1,127,103
Other securities	2,553,593	2,616,120
Loans:	448	487
Policy loans	448	487
Tangible fixed assets:	945	839
Buildings	298	303
Lease assets	589	465
Other tangible fixed assets	57	70
Intangible fixed assets:	3,696	4,558
Software	3,616	4,505
Lease assets	80	52
Reinsurance accounts receivable	269	111
Other assets:	45,368	93,820
Other receivables	26,183	68,101
Prepaid expenses	22	163
Accrued income	7,229	11,435
Guarantee deposits	10,550	13,140
Derivative financial instruments	184	-
Suspense payments	1,197	980
Deferred tax assets	34,002	29,961
Total assets	4,163,675	4,662,032
(Liabilities)		
Policy liabilities:	3,993,094	4,463,755
Outstanding claims	10,819	9,968
Underwriting reserves	3,982,275	4,453,787
Due to agencies	7,075	6,914
Reinsurance accounts payable	2,552	2,973
Other liabilities:	31,610	36,774
Income taxes payable	1,711	714
Other payables	19,647	25,683
Accrued expenses	3,982	4,324
Deposits received	374	800
Cash collateral received under derivative transactions	185	40
Lease obligations	688	540
Asset retirement obligations	125	127
Suspense receipts	4,895	4,543
Reserves under the special laws:	40,136	41,766
Reserve for price fluctuation	40,136	41,766
Total liabilities	4,074,470	4,552,185
(Net assets)		
Common stock	41,060	41,060
Capital surplus:	24,735	24,735
Additional paid-in capital	24,735	24,735
Retained earnings:	22,669	33,094
Legal earned reserve	-	399
Other retained earnings:	22,669	32,694
Retained earnings brought forward	22,669	32,694
Total shareholders' equity	88,464	98,889
Net unrealized gains/(losses) on investments in securities	741	10,957
Total valuation and translation adjustments	741	10,957
Total net assets	89,205	109,847
Total liabilities and net assets	4,163,675	4,662,032

Non-Consolidated Statements of Income

(Yen in millions)

Items	Year ended March 31, 2014	Year ended March 31, 2015
Ordinary income:	1,218,073	1,572,927
Insurance premiums and others:	829,414	1,055,505
Insurance premiums	826,434	1,054,049
Reinsurance income	2,980	1,456
Investment income:	383,521	513,412
Interest and dividends income:	9,341	41,248
Interest on deposits	23	128
Interest and dividends on securities	9,079	40,816
Interest on loans	10	10
Other interest and dividends	228	293
Investment gains on money trusts	19,371	87,686
Gains on sales of securities	0	34,270
Foreign exchange gains	19,851	-
Investment gains on separate accounts	334,955	350,206
Other ordinary income:	5,137	4,009
Receipts of annuities with special conditions	3,009	3,042
Reversal of outstanding claims	2,123	851
Other ordinary income	5	115
Ordinary expenses:	1,178,186	1,555,165
Insurance claims and others:	762,403	967,903
Insurance claims	51,890	54,943
Annuity payments	53,094	61,262
Benefits	187,411	171,243
Surrender benefits	438,637	644,690
Other refunds	2,160	2,375
Reinsurance premiums	29,208	33,387
Provision for underwriting reserves and others:	349,307	471,512
Provision for underwriting reserves	349,307	471,512
Investment expenses:	1,056	35,300
Interest expense	0	0
Losses on derivative transactions	495	184
Foreign exchange losses	-	34,893
Other investment expenses	560	222
Operating expenses	58,927	70,829
Other ordinary expenses:	6,491	9,620
Taxes	5,302	8,401
Depreciation	1,173	1,217
Other ordinary expenses	15	2
Ordinary profit	39,887	17,761
Extraordinary income	-	-
Extraordinary losses:	16,664	1,642
Losses on sales of fixed assets	1	12
Impairment losses on fixed assets	270	-
Provision for reserves under the special laws:	16,392	1,630
Provision for reserve for price fluctuation	16,392	1,630
Income before income taxes	23,222	16,118
Income taxes - current	16,378	3,766
Income taxes - deferred	(11,084)	(72)
Total income taxes	5,293	3,694
Net income	17,928	12,424

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

(Yen in millions)

	March 31, 2014		March 31, 2015	
	Number of policies (in thousands)	Amount	Number of policies (in thousands)	Amount
Individual insurance	175	1,073,428	264	1,548,919
Individual annuities	365	2,950,965	339	2,872,170
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)

	Year ended March 31, 2014				Year ended March 31, 2015			
	Number of policies (in thousands)	Amount	New policies	Net increase by conversion	Number of policies (in thousands)	Amount	New policies	Net increase by conversion
Individual insurance	119	643,410	643,410	-	157	862,230	862,230	-
Individual annuities	25	157,116	157,116	-	28	162,537	162,537	-
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	March 31, 2015
Individual insurance	70,148	101,442
Individual annuities	384,155	350,071
Total:	454,303	451,514
Medical coverage, living benefits, etc.	105	106

(2) New policies

(Yen in millions)

	Year ended March 31, 2014	Year ended March 31, 2015
Individual insurance	42,407	58,472
Individual annuities	119,544	115,001
Total:	161,952	173,473
Medical coverage, 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 lump-sum payment policy is the premium divided by the number of years of coverage.
2. "Medical coverage, living benefits, etc." represents the portion of annualized premiums that corresponds to medical coverage benefits (for hospitalization, surgeries, etc.), living benefits (for specified diseases, nursing care, etc.) and premium waiver benefits (excluding those for disability, but including those for specified diseases, nursing care, etc.).

Non-Consolidated Business Performance

(Yen in millions)

	Year ended March 31, 2014	Year ended March 31, 2015	Change
Fundamental revenues:	1,218,308	1,479,972	261,664
Insurance premiums and others	829,414	1,055,505	226,091
Fundamental expenses	1,159,953	1,513,378	353,425
Fundamental profit	58,355	(33,406)	(91,761)
Capital gains/(losses)	(729)	57,877	58,607
Non-recurring gains/(losses)	(17,738)	(6,710)	11,028
Ordinary profit	39,887	17,761	(22,125)
Extraordinary income	-	-	-
Extraordinary losses	16,664	1,642	(15,022)
Provision for reserve for dividends to policyholders	-	-	-
Income taxes	5,293	3,694	(1,599)
Net income	17,928	12,424	(5,504)

Non-Consolidated Solvency Margin Ratio

(Yen in millions)

	March 31, 2014	March 31, 2015
(A) Total amount of solvency margin	347,258	323,085
Total capital	86,464	96,689
Reserve for price fluctuation	40,136	41,766
Contingency reserve	64,460	71,170
General bad debt reserve	-	-
Net unrealized gains/(losses) on investments in securities x 90%	963	13,861
Net unrealized gains/(losses) on land x 85%	-	-
Excess of continued Zillmerized reserve (a)	146,219	87,411
Subordinated debts, etc. (b)	-	-
Amount excluded from the margin, out of (a) and (b)	-	-
Brought in capital	-	-
Deductions	-	-
Others	9,013	12,186
(B) Total amount of risks $\sqrt{(R_1 + R_8)^2 + (R_2 + R_3 + R_7)^2} + R_4$	69,128	73,451
Insurance risk (R ₁)	62	36
Insurance risk of third sector insurance contracts (R ₈)	13	10
Assumed interest rate risk (R ₂)	26,207	31,165
Minimum guarantee risk (R ₇)	11,581	6,259
Asset management risk (R ₃)	29,982	34,585
Business administration risk (R ₄)	1,356	1,441
(C) Solvency margin ratio [(A) / {(B) x 1/2}] x 100	1,004.6 %	879.7 %

3. Supplementary Information on Business Results for the Year Ended March 31, 2015 for Press Conference

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

1. Basic Information

(Yen in 100 millions)

		Year ended March 31, 2014 (A)	Six months ended September 30, 2014 (B)	Year ended March 31, 2015 (C)	Change (C) - (A)	Change (C) - (B)
1	Net premiums written	13,845	7,291	14,458	613	-
	Change ratio	5.3 %	4.1 %	4.4 %	(0.9)%	0.3 %
2	Total assets	60,980	63,432	67,900	6,920	4,467
3	Net loss ratio	65.1 %	61.5 %	62.2 %	(2.9)%	0.7 %
4	Net expense ratio	32.0 %	31.5 %	31.8 %	(0.2)%	0.3 %
5	Combined ratio	97.1 %	93.0 %	94.0 %	(3.1)%	1.0 %
	Underwriting result ratio	2.9 %	7.0 %	6.0 %	3.1 %	(1.0)%
6	Voluntary automobile insurance					
	Net premiums written	6,083	3,139	6,262	179	-
	Change ratio	3.0 %	3.0 %	2.9 %	(0.1)%	(0.1)%
	Underwriting result ratio	4.7 %	8.6 %	6.9 %	2.2 %	(1.7)%
	Net loss ratio	63.5 %	59.2 %	60.9 %	(2.6)%	1.7 %
	Net expense ratio	31.8 %	32.2 %	32.2 %	0.4 %	0.0 %
7	Fire and allied insurance					
	Net premiums written	2,122	1,069	2,226	103	-
	Change ratio	13.0 %	1.5 %	4.9 %	(8.1)%	3.4 %
	Underwriting result ratio	(11.4)%	(19.6)%	(6.7)%	4.7 %	12.9 %
	Net loss ratio	70.9 %	79.2 %	67.0 %	(3.9)%	(12.2)%
	Net expense ratio	40.5 %	40.4 %	39.7 %	(0.8)%	(0.7)%
8	Number of employees	14,188	15,002	14,859	671	(143)
9	Number of agencies	39,859	40,215	43,055	3,196	2,840

- (Notes) 1. Net premiums written and ratios are presented exclusive of Good Result Return premiums of the automobile insurance product "ModoRich", which contains a special clause related to premium adjustment and refund at maturity.
2. Net loss ratio = (net claims paid + loss adjustment expenses) / net premiums written x 100
3. Net expense ratio = (commissions and collection expenses + operating expenses and general administrative expenses for underwriting) / net premiums written x 100
4. Combined ratio = net loss ratio + net expense ratio
5. Underwriting result ratio = 100 - combined ratio

(Reference) Consolidated Business Performance of MS&AD Insurance Group Holdings, Inc.

(Yen in 100 millions)

		Year ended March 31, 2014 (A)	Six months ended September 30, 2014 (B)	Year ended March 31, 2015 (C)	Change (C) - (A)	Change (C) - (B)
1	Ordinary income	43,607	24,417	46,913	3,305	-
2	Net premiums written	28,095	14,863	29,407	1,311	-
	Change ratio	6.4 %	4.4 %	4.7 %	(1.7)%	0.3 %
3	Life insurance premiums	6,789	4,968	7,217	427	-
	Change ratio	19.3 %	171.9 %	6.3 %	(13.0)%	(165.6)%
4	Ordinary profit/(loss)	1,902	1,580	2,870	968	-
5	Net income/(loss)	934	1,096	1,362	427	-

(Note) Ordinary income and net premiums written 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. Other Information**(a) Non-performing assets****Risk-monitored loans**

(Yen in 100 millions)

	March 31, 2014	September 30, 2014	March 31, 2015
Loans to borrowers in bankruptcy	0	0	0
Overdue loans	27	7	3
Loans overdue for three months or more	5	5	5
Restructured loans	28	27	5
Total	61	39	14
Ratio to total loans	1.1 %	0.8 %	0.3 %

(Reference) Total loans	5,382	5,144	4,986
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Results of self-assessment of assets

(Yen in 100 millions)

	March 31, 2014	September 30, 2014	March 31, 2015
Non-classified	59,149	61,654	66,365
Category II	1,641	1,614	1,454
Category III	162	133	52
Category IV	61	67	63
Subtotal (Categories II - IV)	1,865	1,815	1,570
Total	61,015	63,469	67,936

(Note) "Total" represents the balances before write-off conducted based on self-assessment of assets (including impairment losses on securities and fixed assets).

Amounts written off based on self-assessment of assets are as follows:

For the year ended March 31, 2014: ¥3.5 billion (excluding impairment losses on fixed assets of ¥0.2 billion for the fiscal year)

For the six months ended September 30, 2014: ¥3.7 billion (excluding impairment losses on fixed assets of ¥1.3 billion for the first quarter)

For the year ended March 31, 2015: ¥3.5 billion (excluding impairment losses on fixed assets of ¥1.4 billion for the fiscal year)

(b) Impairment losses on securities

(Yen in 100 millions)

	Year ended March 31, 2014	Six months ended September 30, 2014	Year ended March 31, 2015
Domestic bonds	-	-	-
Domestic stocks	2	0	0
Foreign securities	30	36	33
Other securities	-	0	0
Total	33	36	33

Rules for recognition of impairment

In principle, the Company recognizes impairment losses on securities with practically determinable fair value if the fair value declines by 30% or more from the cost.

(c) Impairment losses on fixed assets

(Yen in 100 millions)

	Year ended March 31, 2014	Six months ended September 30, 2014	Year ended March 31, 2015
Land	1	10	10
Buildings	1	3	3
Others	-	-	-
Total	2	14	14

(d) Unrealized gains and losses on investments in securities

(Yen in 100 millions)

	March 31, 2014	September 30, 2014	March 31, 2015
Domestic bonds	855	1,002	1,197
Domestic stocks	10,581	12,141	14,706
Foreign securities	179	230	388
Other securities	43	46	43
Total	11,659	13,420	16,335

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

2. Monetary claims bought are included in "Other securities".

(e) Losses caused by natural disasters in Japan (Yen in 100 millions)

	Year ended March 31, 2014	Six months ended September 30, 2014	Year ended March 31, 2015
Direct claims paid	191	37	173
Net claims paid	182	36	163
Outstanding claims	37	60	20

(Note) The above table describes losses caused by natural disasters in Japan (excluding the heavy snowfall disaster in February, 2014) incurred during the respective period.

Net claims paid including the amounts related to claims incurred in previous years (including the Great East Japan Earthquake and excluding the heavy snowfall disaster in February, 2014) are ¥24.7 billion for the year ended March 31, 2014, ¥7.3 billion for the six months ended September 30, 2014 and ¥21.2 billion for the year ended March 31, 2015.

(f) Catastrophe reserve (Yen in 100 millions)

Lines of insurance	March 31, 2014			September 30, 2014			March 31, 2015		
	Balance	Reserve Ratio	Provision	Balance	Reserve Ratio	Provision	Balance	Reserve Ratio	Provision
Fire and allied	1,005	47.5 %	191	924	43.4 %	96	1,181	53.2 %	352
Marine	693	122.3 %	25	708	111.0 %	14	723	110.8 %	29
Personal accident	621	43.0 %	45	642	41.0 %	24	623	41.6 %	46
Voluntary automobile	194	3.2 %	194	273	4.4 %	100	217	3.5 %	200
Other	1,470	77.8 %	101	1,527	71.2 %	60	1,553	77.0 %	108
Total	3,985	32.9 %	558	4,076	31.9 %	296	4,299	34.0 %	738

(Notes) 1. Reserve ratio = catastrophe reserve / (net premiums written (excluding premiums of residential earthquake insurance and compulsory automobile liability insurance and Good Result Return premiums of the automobile insurance product "ModoRich")) x 100

Reserve ratio for September 30 is calculated on an annualized basis using net premiums written multiplied by two as a denominator.

2. Provision = gross provision

(g) Losses caused by heavy snowfall disaster in February, 2014 (Yen in 100 millions)

	Year ended March 31, 2014	Year ended March 31, 2015	Accumulated total up to March 31, 2015
Net claims paid	86	379	465
Incurred losses	454	17	471

(Notes) 1. "Accumulated total up to March 31, 2015" is the accumulated amount from February, 2014 to March 31, 2015.

2. Incurred losses = net claims paid + movement in outstanding claims

(h) Reinsurance assumed (Yen in 100 millions)

Lines of insurance	Year ended March 31, 2014		Year ended March 31, 2015	
	Net reinsurance assumed premiums written	Net reinsurance assumed claims paid	Net reinsurance assumed premiums written	Net reinsurance assumed claims paid
Fire and allied	467	364	412	281
Marine	130	83	155	58
Personal accident	13	9	10	7
Voluntary automobile	19	14	39	34
Compulsory automobile liability	1,317	1,349	1,381	1,341
Other	194	84	180	70
Total	2,143	1,905	2,178	1,794

(i) Reinsurance ceded (Yen in 100 millions)

Lines of insurance	Year ended March 31, 2014		Year ended March 31, 2015	
	Net reinsurance ceded premiums written	Net reinsurance ceded claims paid	Net reinsurance ceded premiums written	Net reinsurance ceded claims paid
Fire and allied	1,080	674	1,086	247
Marine	332	231	385	181
Personal accident	83	42	80	34
Voluntary automobile	42	16	72	48
Compulsory automobile liability	1,290	1,305	1,295	1,302
Other	399	183	455	187
Total	3,227	2,453	3,375	2,001

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

1. Basic Information

(Yen in 100 millions)

		Year ended March 31, 2014 (A)	Six months ended September 30, 2014 (B)	Year ended March 31, 2015 (C)	Change (C) - (A)	Change (C) - (B)
1	Net premiums written	11,446	5,836	11,608	162	-
	Change ratio	3.8 %	1.1 %	1.4 %	(2.4)%	0.3 %
2	Total assets	32,571	33,031	34,707	2,135	1,675
3	Net loss ratio	65.0 %	63.4 %	63.2 %	(1.8)%	(0.2)%
4	Net expense ratio	34.5 %	34.9 %	35.0 %	0.5 %	0.1 %
5	Combined ratio	99.5 %	98.3 %	98.2 %	(1.3)%	(0.1)%
	Underwriting result ratio	0.5 %	1.7 %	1.8 %	1.3 %	0.1 %
6	Voluntary automobile insurance					
	Net premiums written	6,589	3,337	6,652	62	-
	Change ratio	2.2 %	0.6 %	1.0 %	(1.2)%	0.4 %
	Underwriting result ratio	3.3 %	6.7 %	4.4 %	1.1 %	(2.3)%
	Net loss ratio	63.2 %	59.3 %	61.0 %	(2.2)%	1.7 %
	Net expense ratio	33.5 %	34.0 %	34.6 %	1.1 %	0.6 %
7	Fire and allied insurance					
	Net premiums written	1,357	661	1,449	91	-
	Change ratio	7.4 %	(1.6)%	6.8 %	(0.6)%	8.4 %
	Underwriting result ratio	(10.9)%	(30.9)%	(13.0)%	(2.1)%	17.9 %
	Net loss ratio	64.8 %	83.3 %	66.2 %	1.4 %	(17.1)%
	Net expense ratio	46.1 %	47.6 %	46.8 %	0.7 %	(0.8)%
8	Number of employees	12,812	13,120	12,973	161	(147)
9	Number of agencies	49,766	49,827	53,581	3,815	3,754

(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 administrative expenses for underwriting) / net premiums written x 100

3. Combined ratio = net loss ratio + net expense ratio

4. Underwriting result ratio = 100 - combined ratio

(Reference) Consolidated Business Performance of MS&AD Insurance Group Holdings, Inc.

Please refer to page 38.

2. Other Information**(a) Non-performing assets****Risk-monitored loans**

(Yen in 100 millions)

	March 31, 2014	September 30, 2014	March 31, 2015
Loans to borrowers in bankruptcy	0	0	-
Overdue loans	5	5	5
Loans overdue for three months or more	7	3	3
Restructured loans	18	17	14
Total	32	27	23
Ratio to total loans	1.5 %	1.3 %	1.0 %

(Reference) Total loans	2,200	2,173	2,262
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Results of self-assessment of assets

(Yen in 100 millions)

	March 31, 2014	September 30, 2014	March 31, 2015
Non-classified	31,626	32,552	34,558
Category II	218	206	202
Category III	2	1	1
Category IV	51	38	16
Subtotal (Categories II - IV)	272	245	219
Total	31,898	32,797	34,778

(Note) "Total" represents the balances before write-off conducted based on self-assessment of assets (including impairment losses on securities and fixed assets).

(b) Impairment losses on securities

(Yen in 100 millions)

	Year ended March 31, 2014	Six months ended September 30, 2014	Year ended March 31, 2015
Domestic bonds	-	-	-
Domestic stocks	34	7	0
Foreign securities	1	1	0
Other securities	-	-	-
Total	36	8	0

Rules for recognition of impairment

In principle, the Company recognizes impairment losses on securities with practically determinable fair value if the fair value declines by 30% or more from the cost.

(c) Impairment losses on fixed assets

(Yen in 100 millions)

	Year ended March 31, 2014	Six months ended September 30, 2014	Year ended March 31, 2015
Land	0	4	4
Buildings	0	10	11
Others	-	-	-
Total	0	15	16

(d) Unrealized gains and losses on investments in securities

(Yen in 100 millions)

	March 31, 2014	September 30, 2014	March 31, 2015
Domestic bonds	348	422	515
Domestic stocks	2,478	3,082	4,209
Foreign securities	309	533	746
Other securities	41	60	84
Total	3,177	4,098	5,556

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

2. Monetary claims bought are included in "Other securities".

(e) Losses caused by natural disasters in Japan (Yen in 100 millions)

	Year ended March 31, 2014	Six months ended September 30, 2014	Year ended March 31, 2015
Direct claims paid	141	23	113
Net claims paid	137	22	107
Outstanding claims	14	32	9

(Note) The above table describes losses caused by natural disasters in Japan (excluding the heavy snowfall disaster in February, 2014) incurred during the respective period.

Net claims paid including the amounts related to claims incurred in previous years (excluding the heavy snowfall disaster in February, 2014) are ¥15.0 billion for the year ended March 31, 2014, ¥3.4 billion for the six months ended September 30, 2014 and ¥12.3 billion for the year ended March 31, 2015.

(f) Catastrophe reserve (Yen in 100 millions)

Lines of insurance	March 31, 2014			September 30, 2014			March 31, 2015		
	Balance	Reserve Ratio	Provision	Balance	Reserve Ratio	Provision	Balance	Reserve Ratio	Provision
Fire and allied	1,045	77.3 %	108	919	69.7 %	53	984	68.2 %	136
Marine	138	123.3 %	5	140	137.6 %	2	137	181.8 %	0
Personal accident	589	81.1 %	23	601	81.6 %	11	611	88.0 %	22
Voluntary automobile	212	3.2 %	212	177	2.7 %	107	213	3.2 %	213
Other	505	49.7 %	51	529	46.4 %	29	542	51.3 %	53
Total	2,491	25.4 %	401	2,368	23.7 %	203	2,490	25.1 %	427

(Notes) 1. Reserve ratio = catastrophe reserve / (net premiums written (excluding premiums of residential earthquake insurance and compulsory automobile liability insurance)) x 100

Reserve ratio for September 30 is calculated on an annualized basis using net premiums written multiplied by two as a denominator.

2. Provision = gross provision

(g) Losses caused by heavy snowfall disaster in February, 2014 (Yen in 100 millions)

	Year ended March 31, 2014	Year ended March 31, 2015	Accumulated total up to March 31, 2015
Net claims paid	98	261	359
Incurred losses	367	5	372

(Notes) 1. "Accumulated total up to March 31, 2015" is the accumulated amount from February, 2014 to March 31, 2015.

2. Incurred losses = net claims paid + movement in outstanding claims

(h) Reinsurance assumed (Yen in 100 millions)

Lines of insurance	Year ended March 31, 2014		Year ended March 31, 2015	
	Net reinsurance assumed premiums written	Net reinsurance assumed claims paid	Net reinsurance assumed premiums written	Net reinsurance assumed claims paid
Fire and allied	232	133	259	79
Marine	45	23	46	19
Personal accident	21	11	24	13
Voluntary automobile	206	147	208	149
Compulsory automobile liability	1,188	1,259	1,216	1,233
Other	210	139	298	174
Total	1,905	1,715	2,053	1,670

(i) Reinsurance ceded (Yen in 100 millions)

Lines of insurance	Year ended March 31, 2014		Year ended March 31, 2015	
	Net reinsurance ceded premiums written	Net reinsurance ceded claims paid	Net reinsurance ceded premiums written	Net reinsurance ceded claims paid
Fire and allied	889	105	950	235
Marine	31	28	13	16
Personal accident	52	21	54	20
Voluntary automobile	34	9	29	22
Compulsory automobile liability	1,364	1,434	1,377	1,430
Other	413	220	456	268
Total	2,786	1,821	2,881	1,993