

[Attachment]

Explanatory Material for Business Results for the Year Ended March 31, 2018

May 18, 2018

MS&AD Insurance Group Holdings, Inc.

This document has been translated from the Japanese original solely for reference purposes, and the Japanese original shall prevail if any discrepancy is identified.

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1. Summary of Consolidated Business Results

(1) Consolidated Business Performance

(Yen in 100 millions)

	Items	Year ended March 31, 2017	Year ended March 31, 2018	Change	Change ratio
Ordinary income and expenses:					
Underwriting income:	1	48,104	46,540	(1,563)	(3.3) %
Net premiums written	2	34,069	34,469	399	1.2
Deposit premiums from policyholders	3	985	863	(121)	(12.4)
Life insurance premiums	4	12,531	10,582	(1,948)	(15.6)
Underwriting expenses:	5	42,559	41,637	(921)	(2.2)
Net claims paid	6	18,318	19,351	1,032	5.6
Loss adjustment expenses	7	1,695	1,710	14	0.9
Commissions and collection expenses	8	6,810	6,890	80	1.2
Maturity refunds to policyholders	9	2,368	2,410	42	1.8
Life insurance claims	10	3,308	3,761	452	13.7
Provision for outstanding claims	11	713	1,795	1,081	151.5
Provision for underwriting reserves	12	9,077	5,644	(3,432)	(37.8)
Investment income:	13	5,072	5,508	435	8.6
Interest and dividends income	14	2,725	2,862	136	5.0
Investment gains on money trusts	15	160	87	(72)	(45.2)
Gains on sales of securities	16	926	1,519	593	64.1
Investment gains on separate accounts	17	813	1,152	339	41.7
Investment expenses:	18	550	1,631	1,080	196.2
Investment losses on money trusts	19	10	137	127	1,229.5
Losses on sales of securities	20	127	89	(37)	(29.5)
Impairment losses on securities	21	20	15	(5)	(25.7)
Operating expenses and general and administrative expenses	22	6,535	6,696	160	2.5
Other ordinary income and expenses:	23	(4)	31	36	-
Gains/(losses) on equity method investments	24	21	30	9	42.9
Ordinary profit	25	3,526	2,115	(1,410)	(40.0)
Extraordinary income and losses:					
Extraordinary income	26	35	513	478	1,347.9
Reversal of reserve for price fluctuation	27	-	420	420	-
Extraordinary losses	28	735	185	(549)	(74.7)
Provision for reserve for price fluctuation	29	339	-	(339)	(100.0)
Extraordinary income/(losses)	30	(700)	327	1,027	-
Income before income taxes	31	2,826	2,443	(382)	(13.6)
Income taxes - current	32	1,054	1,184	129	12.3
Income taxes - deferred	33	(345)	(280)	65	-
Total income taxes	34	709	904	195	27.5
Net income	35	2,116	1,538	(578)	(27.3)
Net income/(loss) attributable to non-controlling interests	36	12	(1)	(14)	(113.9)
Net income attributable to owners of the parent	37	2,104	1,540	(563)	(26.8)

(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, 2017 include system-related costs that were recognized by the reorganization by function at domestic insurance consolidated subsidiaries under the umbrella of the Company in the amount of ¥26.3 billion.

Incurred losses related to non-life insurance business	38	18,973	21,068	2,095	11.0
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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 Attributable to Owners of the Parent)

(Yen in 100 millions)

	Items	Year ended March 31, 2017	Year ended March 31, 2018	Change	Change ratio
Net premiums written ^(Note 1)	1	34,069	34,469	399	1.2
Mitsui Sumitomo Insurance ^(Note 1)	2	14,696	15,003	306	2.1
Aioi Nissay Dowa Insurance	3	12,005	12,220	214	1.8
Mitsui Direct General Insurance	4	376	378	2	0.6
Overseas insurance subsidiaries	5	6,931	6,823	(107)	(1.6)
Ordinary profit	6	3,526	2,115	(1,410)	(40.0)
Mitsui Sumitomo Insurance	7	2,155	2,625	470	21.8
Aioi Nissay Dowa Insurance	8	751	56	(695)	(92.5)
Net income attributable to owners of the parent	9	2,104	1,540	(563)	(26.8)
Mitsui Sumitomo Insurance	10	1,645	1,982	336	20.5
Aioi Nissay Dowa Insurance	11	503	156	(347)	(69.0)
Mitsui Direct General Insurance	12	(9)	2	12	-
Mitsui Sumitomo Aioi Life Insurance	13	45	52	6	14.9
Mitsui Sumitomo Primary Life Insurance	14	207	292	85	41.1
Overseas insurance subsidiaries	15	240	(1,046)	(1,287)	(534.7)
Others, consolidation adjustments, etc.	16	(529)	100	630	-

(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 15 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

(Yen in 100 millions)

	Items	Year ended March 31, 2017	Year ended March 31, 2018	Change	Change ratio
Net premiums written	1	6,931	6,823	(107)	(1.6)
Asia	2	1,545	1,625	79	5.2
Europe	3	4,931	4,704	(226)	(4.6)
MS Amlin ^(Note)	4	4,558	4,296	(261)	(5.7)
Americas	5	454	493	38	8.5
Net income/(loss) attributable to owners of the parent	6	240	(1,046)	(1,287)	(534.7)
Asia	7	132	165	32	24.8
Europe	8	77	(1,247)	(1,324)	(1,715.9)
MS Amlin ^(Note)	9	123	(1,104)	(1,228)	(992.6)
Americas	10	30	35	4	14.5

(Note) The figures of "MS Amlin" for the year ended March 31, 2017 include the results of the other subsidiaries which were integrated into MS Amlin, due to the reorganization of Lloyd's and reinsurance business occurred on December 31, 2016.

(4) Summary of Results of Domestic Life Insurance Business

(Yen in 100 millions)

	Items	Year ended March 31, 2017	Year ended March 31, 2018	Change	Change ratio
Amount of new policies					
Mitsui Sumitomo Aioi Life Insurance	1	23,771	26,395	2,624	11.0 %
Mitsui Sumitomo Primary Life Insurance	2	10,322	10,156	(165)	(1.6) %
Amount of policies in force					
Mitsui Sumitomo Aioi Life Insurance	3	232,142	238,068	5,925	2.6 %
Mitsui Sumitomo Primary Life Insurance	4	56,807	60,618	3,811	6.7 %
Annualized premiums for policies in force					
Mitsui Sumitomo Aioi Life Insurance	5	4,010	4,123	113	2.8 %
Mitsui Sumitomo Primary Life Insurance	6	5,321	4,948	(372)	(7.0) %

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

(5) Natural Catastrophe Incurred Losses occurred outside Japan included in Consolidated Business Results for the Year Ended March 31, 2018

(Yen in 100 millions)

	Year ended March 31, 2018
Hurricanes in North America (Harvey, Irma and Maria)	822
California wildfire occurred in October and December	334
Others	144
Total	1,301

(Change from previous year 1,039)

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, 2017	Year ended March 31, 2018	Change	Change ratio %
(+) Net premiums written	1	14,696	15,003	306	2.1
(-) Net claims paid	2	8,114	8,363	249	3.1
(-) Loss adjustment expenses	3	878	873	(4)	(0.6)
(-) Commissions and collection expenses	4	2,517	2,591	74	3.0
(-) Operating expenses and general and administrative expenses for underwriting	5	2,066	2,109	42	2.1
Underwriting profit before movements in reserves	6	1,120	1,065	(55)	(4.9)
(-) Movement in outstanding claims	7	(62)	(17)	45	-
(-) Movement in ordinary underwriting reserves	8	(61)	126	188	-
(-) Movement in catastrophe reserve	9	463	158	(305)	(65.9)
(+) Other	10	37	47	10	27.7
Underwriting profit	11	817	844	26	3.3
(+) Interest and dividends income	12	1,167	1,051	(116)	(10.0)
(-) Transfer of investment income on deposit premiums from policyholders	13	355	334	(20)	(5.8)
Net interest and dividends income (item 12 - item 13)	14	812	716	(96)	(11.8)
(+) Gains/(losses) on sales of securities	15	672	1,188	515	76.7
(-) Impairment losses on securities	16	4	10	5	107.6
(+) Other	17	(86)	(69)	16	-
Investment profit	18	1,394	1,825	431	30.9
(+) Other ordinary profit/(loss)	19	(56)	(44)	12	-
Ordinary profit	20	2,155	2,625	470	21.8
(+) Extraordinary income/(losses):	21	(70)	15	86	-
Gains/(losses) on reserve for price fluctuation	22	(36)	(40)	(3)	-
Income before income taxes	23	2,084	2,641	556	26.7
(-) Income taxes	24	438	658	220	50.2
Net income	25	1,645	1,982	336	20.5

Ratios	Net loss ratio	26	61.2 %	61.6 %	0.4 %	
	Net expense ratio	27	31.2 %	31.3 %	0.1 %	
	Combined ratio	28	92.4 %	92.9 %	0.5 %	
	Interest and dividends income yield	29	2.32 %	2.04 %	(0.28) %	
	Investment profit yield	30	3.63 %	4.35 %	0.72 %	

Incurred losses (item 2 + item 7)	31	8,051	8,346	294	3.7
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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): 3.49% for the year ended March 31, 2017, and 5.33% for the year ended March 31, 2018

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

	Net premiums written	32	12,820	13,153	332	2.6
Ratios	Net loss ratio	33	58.0 %	59.0 %	1.0 %	
	Net expense ratio	34	33.2 %	33.2 %	0.0 %	
	Combined ratio	35	91.2 %	92.2 %	1.0 %	

* 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, 2017		Year ended March 31, 2018		Year ended March 31, 2017		Year ended March 31, 2018	
	Amount	Change ratio %	Amount	Change ratio %	Amount	Change ratio %	Amount	Change ratio %
Fire and allied	1,838	(24.2)	1,967	7.0	2,586	(17.9)	2,702	4.5
Marine	586	(12.4)	604	3.1	787	(13.7)	803	1.9
Personal accident	1,435	1.8	1,476	2.9	1,534	2.9	1,574	2.6
Voluntary automobile	6,541	1.3	6,592	0.8	6,592	1.4	6,642	0.8
CALI	1,868	0.2	1,845	(1.3)	1,785	3.4	1,680	(5.8)
Other	2,425	7.9	2,518	3.8	2,818	8.9	2,937	4.2
Total	14,696	(2.5)	15,003	2.1	16,105	(1.6)	16,340	1.5

(3) Net claims paid

(Yen in 100 millions)

	Year ended March 31, 2017			Year ended March 31, 2018			
	Amount	Change ratio %	Net loss ratio %	Amount	Change ratio %	Net loss ratio %	Change %
Fire and allied	1,281	(1.0)	72.0	1,359	6.0	71.2	(0.8)
Marine	341	(0.2)	61.3	361	5.9	62.4	1.1
Personal accident	709	(4.9)	54.3	693	(2.3)	51.8	(2.5)
Voluntary automobile	3,191	(2.2)	57.3	3,344	4.8	59.1	1.8
CALI	1,368	0.7	80.3	1,351	(1.3)	80.3	0.0
Other	1,222	21.9	52.9	1,254	2.6	52.3	(0.6)
Total	8,114	1.3	61.2	8,363	3.1	61.6	0.4

(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, 2017			Year ended March 31, 2018		
	Incurred losses	Net claims paid	Outstanding claims	Incurred losses	Net claims paid	Outstanding claims
Fire and allied	305	226	79	356	292	63
Voluntary automobile	12	12	0	30	29	0
Other	25	14	10	40	26	14
Total	343	253	89	427	348	78

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

The figures for the year ended March 31, 2017 include incurred losses related to the Kumamoto earthquakes, which exclude residential earthquake insurance, as follows:

Incurred losses ¥10.5 billion, Net claims paid ¥6.8 billion and Outstanding claims ¥3.6 billion.

(4) Expenses

<Company expenses>

(Yen in 100 millions)

	Items	Year ended March 31, 2017			Year ended March 31, 2018		
		Amount	Change	Change ratio %	Amount	Change	Change ratio %
Personnel expenses	1	1,677	22	1.4	1,687	10	0.6
Non-personnel expenses	2	1,252	39	3.3	1,288	35	2.9
Taxes and contributions	3	124	(33)	(21.3)	123	(1)	(1.1)
Total	4	3,054	28	0.9	3,099	44	1.5

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

<Expenses for underwriting>

(Yen in 100 millions)

	Items	Year ended March 31, 2017			Year ended March 31, 2018		
		Amount	Change	Change ratio %	Amount	Change	Change ratio %
Operating expenses and general and administrative expenses	5	2,066	20	1.0	2,109	42	2.1
Commissions and collection expenses	6	2,517	(114)	(4.3)	2,591	74	3.0
Total	7	4,583	(94)	(2.0)	4,700	117	2.6
Net expense ratio	8	31.2 %	0.2 %		31.3 %	0.1 %	

(5) Outstanding claims

(Yen in 100 millions)

	March 31, 2017		March 31, 2018	
	Balance		Balance	
		Movement		Movement
Fire and allied	917	4	981	64
Marine	311	(52)	291	(19)
Personal accident	467	(34)	463	(3)
Voluntary automobile	2,574	(96)	2,590	16
CALI	520	(15)	505	(14)
Other	1,642	132	1,582	(59)
Total	6,434	(62)	6,417	(17)

(6) Incurred losses and earned-incurred loss ratio

(Yen in 100 millions)

	Year ended March 31, 2017		Year ended March 31, 2018			
	Incurred losses	Earned-incurred loss ratio	Incurred losses	Change	Earned-incurred loss ratio	Change
		%			%	%
Fire and allied	1,268	63.9	1,465	196	71.8	7.9
Marine	306	51.8	357	51	59.1	7.3
Personal accident	744	52.8	760	15	52.9	0.1
Voluntary automobile	3,649	55.9	3,912	263	59.3	3.4
Other	1,415	58.7	1,256	(158)	51.3	(7.4)
Total	7,384	57.1	7,752	367	59.1	2.0

(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, 2018				
		Total underwriting reserves	Ordinary underwriting reserves	Reserve for refunds and dividends to policyholders	Catastrophe reserve	Contingency reserve
Fire and allied	Balance	8,826	6,290	1,241	1,294	-
	Movement	(531)	(75)	(288)	(165)	(1)
Marine	Balance	1,080	282	-	798	-
	Movement	17	1	-	16	-
Personal accident	Balance	12,201	1,195	10,282	723	-
	Movement	(493)	39	(575)	46	(3)
Voluntary automobile	Balance	2,791	1,999	27	764	-
	Movement	115	(2)	(56)	175	(0)
CALI	Balance	2,509	2,509	-	-	-
	Movement	98	98	-	-	-
Other	Balance	5,113	2,662	584	1,865	-
	Movement	142	66	(8)	85	(0)
Total	Balance	32,521	14,939	12,135	5,446	-
	Movement	(650)	126	(929)	158	(5)

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

(8) Catastrophe reserve

(Yen in 100 millions)

	March 31, 2017		March 31, 2018			
	Balance	Reserve ratio	Reversal	Provision	Balance	Reserve ratio
		%				%
Fire and allied	1,460	79.7	264	98	1,294	66.0
Marine	781	133.2	11	28	798	132.0
Personal accident	677	47.2	-	46	723	49.0
Voluntary automobile	589	9.0	36	211	764	11.6
Other	1,780	73.4	51	137	1,865	74.1
Total	5,288	41.3	363	522	5,446	41.4

(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, 2017	March 31, 2018	
			Change
Cash, deposits and savings	4,198	4,459	261
Investments in securities:	52,946	56,356	3,409
Domestic bonds	18,479	18,058	(421)
Domestic stocks	18,068	19,371	1,303
Foreign securities	16,048	18,548	2,499
Other securities	349	377	28
Loans	4,181	3,933	(247)
Land and buildings	2,000	1,942	(58)
Total	63,327	66,691	3,364

(Reference)

Long-term investment assets	12,959	12,087	(872)
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(Reference) Breakdown of domestic bonds

(Yen in 100 millions)

	March 31, 2017	March 31, 2018	
			Change
Government bonds	12,633	11,928	(704)
Municipal bonds	888	880	(8)
Corporate bonds:	4,957	5,249	292
Government agency bonds	1,042	985	(56)
Specific financial institution bonds	32	32	(0)
Other corporate bonds	3,883	4,232	349
Total	18,479	18,058	(421)

(10) Breakdown of interest and dividends income

(Yen in 100 millions)

	Year ended March 31, 2017	Year ended March 31, 2018	
			Change
Investments in securities:	1,042	934	(107)
Domestic bonds	194	188	(6)
Domestic stocks	435	436	1
Foreign securities	380	271	(108)
Other securities	32	37	5
Loans	49	40	(9)
Land and buildings	63	64	1
Other	12	11	(1)
Total	1,167	1,051	(116)

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

(Yen in 100 millions)

March 31, 2018	Cost	Fair value	Difference	Change from March 31, 2017
Domestic bonds	16,550	18,058	1,508	(40)
Domestic stocks	6,352	19,036	12,683	1,404
Foreign securities	5,250	5,229	(21)	(99)
Other securities	245	271	26	(8)
Total	28,398	42,595	14,197	1,256

(Yen in 100 millions)

March 31, 2017	Cost	Fair value	Difference
Domestic bonds	16,930	18,479	1,548
Domestic stocks	6,437	17,716	11,278
Foreign securities	4,468	4,546	78
Other securities	309	343	34
Total	28,145	41,086	12,940

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

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

Gains and losses on sales of securities

(Yen in 100 millions)

	Year ended March 31, 2017 Gains/(losses)	Year ended March 31, 2018 Gains/(losses)		
			Gains	Losses
Domestic bonds	(4)	2	4	2
Domestic stocks	656	1,107	1,110	2
Foreign securities	20	78	107	28
Other securities	-	-	-	-
Total	672	1,188	1,222	33

Impairment losses on securities

(Yen in 100 millions)

	Year ended March 31, 2017	Year ended March 31, 2018	Change
Domestic bonds	-	-	-
Domestic stocks	0	0	0
Foreign securities	4	5	0
Other securities	-	4	4
Total	4	10	5

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

(1) Business Performance

(Yen in 100 millions)

		Items	Year ended March 31, 2017	Year ended March 31, 2018	Change	Change ratio
						%
(+)	Net premiums written	1	12,005	12,220	214	1.8
(-)	Net claims paid	2	6,486	6,606	120	1.9
(-)	Loss adjustment expenses	3	608	628	20	3.4
(-)	Commissions and collection expenses	4	2,238	2,349	111	5.0
(-)	Operating expenses and general and administrative expenses for underwriting	5	1,783	1,726	(56)	(3.2)
	Underwriting profit before movements in reserves	6	889	908	18	2.1
(-)	Movement in outstanding claims	7	152	462	310	203.9
(-)	Movement in ordinary underwriting reserves	8	(0)	139	140	-
(-)	Movement in catastrophe reserve	9	354	287	(66)	(18.8)
(+)	Other	10	11	29	17	149.5
	Underwriting profit	11	395	48	(346)	(87.7)
(+)	Interest and dividends income	12	554	584	30	5.6
(-)	Transfer of investment income on deposit premiums from policyholders	13	173	167	(6)	(3.7)
	Net interest and dividends income (item 12 - item 13)	14	380	417	37	9.8
(+)	Gains/(losses) on sales of securities	15	90	155	64	71.6
(-)	Impairment losses on securities	16	49	490	441	896.8
(+)	Other	17	(99)	(102)	(3)	-
	Investment profit/(loss)	18	322	(19)	(342)	(106.2)
(+)	Other ordinary profit/(loss)	19	34	27	(6)	(18.9)
	Ordinary profit	20	751	56	(695)	(92.5)
(+)	Extraordinary income/(losses):	21	(83)	311	395	-
	Gains/(losses) on reserve for price fluctuation	22	(5)	354	360	-
	Income before income taxes	23	668	367	(300)	(44.9)
(-)	Income taxes	24	164	211	47	28.9
	Net income	25	503	156	(347)	(69.0)

Ratios	Net loss ratio	26	59.1 %	59.2 %	0.1 %	
	Net expense ratio	27	33.5 %	33.4 %	(0.1) %	
	Combined ratio	28	92.6 %	92.6 %	0.0 %	
	Interest and dividends income yield	29	2.12 %	2.21 %	0.09 %	
	Investment profit yield	30	2.12 %	0.76 %	(1.36) %	

Incurred losses (item 2 + item 7)	31	6,638	7,069	430	6.5
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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): 2.82% for the year ended March 31, 2017, and 2.98% for the year ended March 31, 2018

(Reference) Business performance excluding residential earthquake insurance and CALI

	Net premiums written	32	10,312	10,545	233	2.3
Ratios	Net loss ratio	33	55.6 %	56.5 %	0.9 %	
	Net expense ratio	34	35.2 %	34.9 %	(0.3) %	
	Combined ratio	35	90.8 %	91.4 %	0.6 %	

(2) Premiums written

(Yen in 100 millions)

	Net premiums written				Direct premiums written (excluding deposit premiums from policyholders)			
	Year ended March 31, 2017		Year ended March 31, 2018		Year ended March 31, 2017		Year ended March 31, 2018	
	Amount	Change ratio %	Amount	Change ratio %	Amount	Change ratio %	Amount	Change ratio %
Fire and allied	1,530	(8.7)	1,744	14.0	1,891	(17.8)	1,967	4.0
Marine	54	(5.2)	74	37.0	(0)	-	(0)	-
Personal accident	614	(3.4)	613	(0.1)	652	(2.1)	651	(0.1)
Voluntary automobile	6,804	1.3	6,840	0.5	6,619	0.4	6,613	(0.1)
CALI	1,687	(1.1)	1,670	(1.0)	1,880	2.2	1,752	(6.8)
Other	1,313	16.7	1,276	(2.9)	1,413	8.5	1,437	1.7
Total	12,005	0.7	12,220	1.8	12,456	(1.9)	12,421	(0.3)

(3) Net claims paid

(Yen in 100 millions)

	Year ended March 31, 2017			Year ended March 31, 2018			
	Amount	Change ratio %	Net loss ratio %	Amount	Change ratio %	Net loss ratio %	Change %
Fire and allied	822	(1.1)	56.2	1,002	21.9	59.8	3.6
Marine	26	4.7	48.0	35	37.4	48.2	0.2
Personal accident	272	(10.4)	48.6	266	(2.1)	47.8	(0.8)
Voluntary automobile	3,457	(1.2)	56.8	3,556	2.8	58.2	1.4
CALI	1,211	(1.3)	77.9	1,174	(3.1)	76.3	(1.6)
Other	696	23.5	55.6	571	(17.9)	47.6	(8.0)
Total	6,486	0.6	59.1	6,606	1.9	59.2	0.1

(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, 2017			Year ended March 31, 2018		
	Incurred losses	Net claims paid	Outstanding claims	Incurred losses	Net claims paid	Outstanding claims
Fire and allied	146	123	23	252	197	55
Voluntary automobile	12	12	0	30	29	1
Other	8	6	2	19	8	10
Total	167	142	25	303	235	67

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

The figures for the year ended March 31, 2017 include incurred losses related to the Kumamoto earthquakes, which exclude residential earthquake insurance, as follows:

Incurred losses ¥3.8 billion, Net claims paid ¥2.6 billion and Outstanding claims ¥1.2 billion.

(4) Expenses

<Company expenses>

(Yen in 100 millions)

	Items	Year ended March 31, 2017			Year ended March 31, 2018		
		Amount	Change	Change ratio %	Amount	Change	Change ratio %
Personnel expenses	1	1,236	(28)	(2.2)	1,280	43	3.5
Non-personnel expenses	2	1,130	(40)	(3.5)	1,065	(65)	(5.8)
Taxes and contributions	3	109	(1)	(1.5)	110	0	0.7
Total	4	2,476	(70)	(2.8)	2,456	(20)	(0.8)

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

<Expenses for underwriting>

(Yen in 100 millions)

	Items	Year ended March 31, 2017			Year ended March 31, 2018		
		Amount	Change	Change ratio %	Amount	Change	Change ratio %
Operating expenses and general and administrative expenses	5	1,783	(70)	(3.8)	1,726	(56)	(3.2)
Commissions and collection expenses	6	2,238	7	0.3	2,349	111	5.0
Total	7	4,021	(63)	(1.5)	4,076	54	1.4
Net expense ratio	8	33.5 %	(0.8) %		33.4 %	(0.1) %	

(5) Outstanding claims

(Yen in 100 millions)

	March 31, 2017		March 31, 2018	
	Balance		Balance	
		Movement		Movement
Fire and allied	590	98	983	393
Marine	42	0	54	12
Personal accident	233	5	249	16
Voluntary automobile	2,938	12	3,007	68
CALI	462	(21)	444	(17)
Other	1,001	55	990	(10)
Total	5,267	152	5,729	462

(6) Incurred losses and earned-incurred loss ratio

(Yen in 100 millions)

	Year ended March 31, 2017		Year ended March 31, 2018			
	Incurred losses	Earned-incurred loss ratio	Incurred losses	Change	Earned-incurred loss ratio	Change
		%			%	%
Fire and allied	915	58.1	1,436	521	82.3	24.2
Marine	27	49.6	48	21	68.9	19.3
Personal accident	304	50.9	309	5	52.0	1.1
Voluntary automobile	3,877	57.1	4,048	171	59.3	2.2
Other	786	60.3	596	(189)	47.8	(12.5)
Total	5,910	57.3	6,440	529	61.4	4.1

(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, 2018				
		Total underwriting reserves	Ordinary underwriting reserves	Reserve for refunds and dividends to policyholders	Catastrophe reserve	Contingency reserve
Fire and allied	Balance	7,038	5,047	613	1,374	3
	Movement	3	(3)	(102)	108	-
Marine	Balance	173	32	-	140	-
	Movement	5	4	-	1	-
Personal accident	Balance	4,847	725	3,447	670	3
	Movement	(172)	17	(209)	19	-
Voluntary automobile	Balance	2,489	1,914	32	542	0
	Movement	119	10	4	103	-
CALI	Balance	2,395	2,395	-	-	-
	Movement	72	72	-	-	-
Other	Balance	2,157	1,304	155	695	0
	Movement	89	37	(3)	54	-
Total	Balance	19,100	11,419	4,248	3,424	7
	Movement	117	139	(309)	287	-

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

(8) Catastrophe reserve

(Yen in 100 millions)

	March 31, 2017		March 31, 2018			
	Balance	Reserve ratio	Reversal	Provision	Balance	Reserve ratio
		%				%
Fire and allied	1,265	83.0	33	142	1,374	79.0
Marine	139	254.7	-	1	140	187.5
Personal accident	651	106.1	-	19	670	109.4
Voluntary automobile	438	6.5	115	219	542	7.9
Other	641	48.8	7	62	695	54.5
Total	3,136	30.4	156	444	3,424	32.5

(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, 2017	March 31, 2018	
			Change
Cash, deposits and savings	1,898	1,674	(223)
Investments in securities:	25,770	25,971	200
Domestic bonds	9,707	9,253	(454)
Domestic stocks	8,433	9,227	793
Foreign securities	7,070	6,840	(229)
Other securities	558	649	91
Loans	2,109	2,000	(108)
Land and buildings	1,634	1,594	(39)
Total	31,412	31,240	(171)

(Reference)

Long-term investment assets	4,530	4,216	(314)
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(Reference) Breakdown of domestic bonds

(Yen in 100 millions)

	March 31, 2017	March 31, 2018	
			Change
Government bonds	6,705	6,409	(296)
Municipal bonds	207	211	4
Corporate bonds:	2,794	2,632	(162)
Government agency bonds	519	496	(23)
Specific financial institution bonds	141	73	(67)
Other corporate bonds	2,133	2,062	(71)
Total	9,707	9,253	(454)

(10) Breakdown of interest and dividends income

(Yen in 100 millions)

	Year ended March 31, 2017	Year ended March 31, 2018	
			Change
Investments in securities:	478	507	28
Domestic bonds	99	98	(1)
Domestic stocks	176	187	10
Foreign securities	177	178	1
Other securities	25	42	17
Loans	26	23	(3)
Land and buildings	44	46	1
Other	3	8	4
Total	554	584	30

(11) Investments in securities

Unrealized gains and losses on investments in securities

(Yen in 100 millions)

March 31, 2018	Cost	Fair value	Difference	Change from March 31, 2017
Domestic bonds	8,640	9,253	613	(35)
Domestic stocks	4,124	8,975	4,851	937
Foreign securities	6,026	6,297	270	(162)
Other securities	538	592	53	(3)
Total	19,330	25,119	5,788	735

(Yen in 100 millions)

March 31, 2017	Cost	Fair value	Difference
Domestic bonds	9,059	9,707	648
Domestic stocks	4,252	8,165	3,913
Foreign securities	5,683	6,116	433
Other securities	455	512	56
Total	19,450	24,503	5,052

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

Gains and losses on sales of securities

(Yen in 100 millions)

	Year ended March 31, 2017 Gains/(losses)	Year ended March 31, 2018 Gains/(losses)	Gains	Losses
Domestic bonds	7	2	3	0
Domestic stocks	119	134	135	0
Foreign securities	(35)	18	48	30
Other securities	-	-	-	-
Total	90	155	187	31

Impairment losses on securities

(Yen in 100 millions)

	Year ended March 31, 2017	Year ended March 31, 2018	Change
Domestic bonds	-	-	-
Domestic stocks	6	22	16
Foreign securities	43	467	424
Other securities	-	-	-
Total	49	490	441

4. Earnings Forecasts

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

(Yen in 100 millions)

	Items	Forecasts for year ending March 31, 2019	Change from previous year
Net premiums written:	1	34,800	1.0 %
Net premiums written at overseas non-life insurance subsidiaries	2	7,160	4.9 %
Ordinary profit	3	2,950	834
Net income attributable to owners of the parent	4	2,000	459
Annual total of dividends per share	5	130.00 yen	- yen

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

(Yen in 100 millions)

	Results for year ended March 31, 2018	Forecasts for year ending March 31, 2019
Direct premiums written (excluding deposit premiums from policyholders)	16,340	16,555
Change ratio	1.5 %	1.3 %
Net premiums written	15,003	15,010
Change ratio	2.1 %	0.0 %
Net loss ratio	61.6 %	61.2 %
Net expense ratio	31.3 %	32.0 %
Combined ratio	92.9 %	93.2 %
Underwriting profit	844	770
Net interest and dividends income	716	720
Ordinary profit	2,625	1,880
Net income	1,982	1,410

(Reference) Excluding residential earthquake insurance and CALI

	Results for year ended March 31, 2018	Forecasts for year ending March 31, 2019
Change ratio of net premiums written	2.6 %	0.8 %
Net loss ratio	59.0 %	58.0 %
Net expense ratio	33.2 %	33.6 %
Combined ratio	92.2 %	91.6 %

Forecasts by line of insurance for the year ending March 31, 2019

(Yen in 100 millions)

	Net premiums written		Net loss ratio	
		Change ratio		Change
Fire and allied	1,981	0.7 %	63.0 %	(8.2)%
Marine	601	(0.7)%	55.9 %	(6.5)%
Personal accident	1,500	1.6 %	52.6 %	0.8 %
Voluntary automobile	6,552	(0.6)%	60.5 %	1.4 %
CALI	1,742	(5.6)%	86.0 %	5.7 %
Other	2,634	4.6 %	51.5 %	(0.8)%
Total	15,010	0.0 %	61.2 %	(0.4)%

(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, 2018	Forecasts for year ending March 31, 2019
Direct premiums written (excluding deposit premiums from policyholders)	12,421	12,470
Change ratio	(0.3)%	0.4 %
Net premiums written	12,220	12,250
Change ratio	1.8 %	0.2 %
Net loss ratio	59.2 %	62.4 %
Net expense ratio	33.4 %	34.9 %
Combined ratio	92.6 %	97.3 %
Underwriting profit	48	310
Net interest and dividends income	417	360
Ordinary profit	56	670
Net income	156	360

(Reference) Excluding residential earthquake insurance and CALI

	Results for year ended March 31, 2018	Forecasts for year ending March 31, 2019
Change ratio of net premiums written	2.3 %	1.2 %
Net loss ratio	56.5 %	59.8 %
Net expense ratio	34.9 %	36.4 %
Combined ratio	91.4 %	96.2 %

Forecasts by line of insurance for the year ending March 31, 2019

(Yen in 100 millions)

	Net premiums written		Net loss ratio	
		Change ratio		Change
Fire and allied	1,752	0.4 %	66.1 %	6.3 %
Marine	79	5.5 %	54.4 %	6.2 %
Personal accident	621	1.3 %	47.3 %	(0.5)%
Voluntary automobile	6,896	0.8 %	60.7 %	2.5 %
CALI	1,578	(5.5)%	80.0 %	3.7 %
Other	1,324	3.8 %	52.3 %	4.7 %
Total	12,250	0.2 %	62.4 %	3.2 %

[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, 2017			Year ended March 31, 2018		
	Amount	Share (%)	Change ratio (%)	Amount	Share (%)	Change ratio (%)
Fire and allied	602,521	16.7	(8.3)	627,029	17.2	4.1
Marine	168,715	4.7	27.5	168,602	4.6	(0.1)
Personal accident	321,055	8.9	0.3	320,764	8.8	(0.1)
Voluntary automobile	1,524,096	42.1	3.3	1,546,108	42.4	1.4
CALI	366,523	10.1	2.8	343,370	9.4	(6.3)
Other	632,874	17.5	20.0	643,233	17.6	1.6
Total:	3,615,785	100.0	4.2	3,649,108	100.0	0.9
Deposit premiums from policyholders	98,546	2.7	(15.2)	86,371	2.4	(12.4)

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

Voluntary Automobile	1,523,673		3.2	1,552,072		1.9
Total	3,615,362		4.2	3,655,073		1.1

Net Premiums Written by Line of Insurance

(Yen in millions)

Lines of Insurance	Year ended March 31, 2017			Year ended March 31, 2018		
	Amount	Share (%)	Change ratio (%)	Amount	Share (%)	Change ratio (%)
Fire and allied	540,715	15.9	14.7	553,183	16.1	2.3
Marine	145,697	4.3	37.3	142,339	4.1	(2.3)
Personal accident	237,918	7.0	8.9	240,450	7.0	1.1
Voluntary automobile	1,559,958	45.8	4.3	1,587,008	46.1	1.7
CALI	356,088	10.4	(0.4)	352,063	10.2	(1.1)
Other	567,010	16.6	32.0	565,931	16.5	(0.2)
Total	3,407,389	100.0	10.7	3,440,976	100.0	1.0

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

Voluntary automobile	1,559,535		4.3	1,592,973		2.1
Total	3,406,966		10.7	3,446,940		1.2

Net Claims Paid by Line of Insurance

(Yen in millions)

Lines of Insurance	Year ended March 31, 2017			Year ended March 31, 2018		
	Amount	Share (%)	Change ratio (%)	Amount	Share (%)	Change ratio (%)
Fire and allied	297,850	16.3	26.6	378,241	19.5	27.0
Marine	96,981	5.3	102.0	82,302	4.3	(15.1)
Personal accident	107,937	5.9	(1.3)	106,233	5.5	(1.6)
Voluntary automobile	798,736	43.6	2.8	841,807	43.5	5.4
CALI	258,465	14.1	(0.2)	252,990	13.1	(2.1)
Other	271,905	14.8	36.6	273,589	14.1	0.6
Total	1,831,876	100.0	12.6	1,935,165	100.0	5.6

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

(2) Investments in Securities

1. Trading securities

(Yen in millions)

	March 31, 2017		March 31, 2018	
	Carrying amount	Unrealized gains/(losses) included in income	Carrying amount	Unrealized gains/(losses) included in income
Trading securities	3,245,290	41,278	3,335,844	(1,107)

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

2. Held-to-maturity securities

(Yen in millions)

Items	March 31, 2017			March 31, 2018		
	Carrying amount	Fair value	Difference	Carrying amount	Fair value	Difference
Domestic Bonds	1,032,755	1,223,936	191,181	1,046,667	1,249,687	203,019
Other Securities	9,539	9,539	-	10,237	10,237	-
Total	1,042,295	1,233,476	191,181	1,056,905	1,259,924	203,019

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

3. Debt securities earmarked for underwriting reserves

(Yen in millions)

Items	March 31, 2017			March 31, 2018		
	Carrying amount	Fair value	Difference	Carrying amount	Fair value	Difference
Domestic Bonds	288,821	285,054	(3,766)	493,613	500,175	6,561
Foreign Securities	1,408,431	1,436,414	27,983	1,574,491	1,613,671	39,179
Total	1,697,252	1,721,469	24,216	2,068,105	2,113,846	45,741

4. Available-for-sale securities

(Yen in millions)

Items	March 31, 2017			March 31, 2018		
	Cost	Carrying amount	Difference	Cost	Carrying amount	Difference
Domestic Bonds	4,005,029	4,336,212	331,183	3,935,970	4,248,127	312,156
Domestic Stocks	1,140,272	2,589,024	1,448,751	1,116,058	2,802,126	1,686,068
Foreign Securities	1,982,164	2,065,525	83,361	2,253,413	2,295,745	42,331
Other Securities	145,206	154,664	9,457	182,111	191,404	9,293
Total	7,272,672	9,145,427	1,872,754	7,487,554	9,537,404	2,049,850

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

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

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

For the year ended March 31, 2017: ¥1,602 million (comprised of ¥669 million on Domestic stocks and ¥932 million on Foreign securities)

For the year ended March 31, 2018: ¥468 million (comprised of Foreign securities only)

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

2. Summary of Business Results of Main Consolidated Subsidiaries

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

Non-Consolidated Balance Sheets

(Yen in millions)

Items	March 31, 2017	March 31, 2018
(Assets)		
Cash, deposits and savings:	389,027	421,714
Cash on hand	81	76
Deposits in banks	388,945	421,638
Receivables under resale agreements	6,999	6,999
Monetary claims bought	20,393	13,598
Money trusts	3,500	3,728
Investments in securities:	5,294,691	5,635,635
Government bonds	1,263,321	1,192,826
Municipal bonds	88,898	88,038
Corporate bonds	495,736	524,990
Domestic stocks	1,806,870	1,937,182
Foreign securities	1,604,888	1,854,804
Other securities	34,974	37,792
Loans:	418,146	393,362
Policy loans	7,672	7,133
General loans	410,474	386,228
Tangible fixed assets:	210,723	205,648
Land	77,391	76,499
Buildings	122,668	117,734
Construction in progress	390	569
Other tangible fixed assets	10,272	10,846
Intangible fixed assets:	40,105	45,317
Software	21,902	13,726
Other intangible fixed assets	18,203	31,591
Other assets:	352,144	328,137
Premiums receivable	3,330	4,122
Due from agencies	117,841	120,062
Co-insurance accounts receivable	9,257	7,407
Reinsurance accounts receivable	56,073	53,454
Foreign reinsurance accounts receivable	37,979	26,634
Agency business accounts receivable	619	534
Other receivables	38,881	41,300
Accrued income	6,228	6,059
Guarantee deposits	10,565	10,293
Deposits with the Japan Earthquake Reinsurance Company	6,019	6,457
Suspense payments	38,488	35,327
Initial margins for future transactions	-	316
Derivative financial instruments	25,651	15,052
Cash collateral pledged under derivative transactions	300	326
Other assets	907	784
Customers' liabilities under acceptances and guarantees	45,520	47,243
Bad debt reserve	(4,175)	(3,169)
Total assets	6,777,076	7,098,216

(Yen in millions)

Items	March 31, 2017	March 31, 2018
(Liabilities)		
Policy liabilities:	3,960,687	3,893,910
Outstanding claims	643,446	641,711
Underwriting reserves	3,317,241	3,252,198
Bonds issued	256,191	386,191
Other liabilities:	515,281	507,840
Co-insurance accounts payable	11,120	11,571
Reinsurance accounts payable	63,397	55,662
Foreign reinsurance accounts payable	28,144	22,483
Agency business accounts payable	12	12
Borrowings	196,767	196,767
Income taxes payable	39,277	48,653
Deposits received	32,469	61,793
Unearned income	31	34
Other payables	48,854	44,734
Suspense receipts	23,286	22,259
Derivative financial instruments	1,649	2,557
Cash collateral received under derivative transactions	62,168	34,218
Lease obligations	1,399	1,372
Asset retirement obligations	3,831	3,862
Other liabilities	2,869	1,858
Reserve for pension and retirement benefits	136,186	139,476
Reserve for retirement benefits for officers	612	516
Accrued bonuses for employees	10,453	10,145
Reserve for reorganization by function	3,015	2,261
Reserves under the special laws:	67,801	71,813
Reserve for price fluctuation	67,801	71,813
Deferred tax liabilities	136,275	161,817
Acceptances and guarantees	45,520	47,243
Total liabilities	5,132,025	5,221,215
(Net assets)		
Common stock	139,595	139,595
Capital surplus:	93,107	93,107
Additional paid-in capital	93,107	93,107
Retained earnings:	443,975	589,634
Legal earned reserve	46,487	46,487
Other retained earnings:	397,487	543,146
Tax-exempted reserve for accelerated depreciation	15,840	15,503
Retained earnings brought forward	381,647	527,643
Total shareholders' equity	676,678	822,337
Net unrealized gains/(losses) on investments in securities	932,995	1,022,583
Net deferred gains/(losses) on hedges	35,377	32,079
Total valuation and translation adjustments	968,372	1,054,662
Total net assets	1,645,050	1,877,000
Total liabilities and net assets	6,777,076	7,098,216

Non-Consolidated Statements of Income

(Yen in millions)

Items	Year ended March 31, 2017	Year ended March 31, 2018
Ordinary income:	1,772,858	1,859,915
Underwriting income:	1,609,647	1,654,780
Net premiums written	1,470,122	1,494,362
Deposit premiums from policyholders	70,040	60,092
Investment income on deposit premiums from policyholders	35,508	33,443
Reversal of outstanding claims	6,283	1,734
Reversal of underwriting reserves	27,649	65,042
Other underwriting income	44	104
Investment income:	159,029	199,914
Interest and dividends income	116,792	105,107
Investment gains on money trusts	517	239
Gains on sales of securities	71,738	122,213
Gains on redemption of securities	304	592
Gains on derivative transactions	4,405	4,564
Other investment income	780	640
Transfer of investment income on deposit premiums from policyholders	(35,508)	(33,443)
Other ordinary income	4,181	5,220
Ordinary expenses:	1,557,316	1,597,363
Underwriting expenses:	1,319,905	1,357,678
Net claims paid	811,476	836,385
Loss adjustment expenses	87,834	87,345
Commissions and collection expenses	251,720	259,174
Maturity refunds to policyholders	167,151	173,672
Dividends to policyholders	466	244
Foreign exchange losses	736	470
Other underwriting expenses	519	385
Investment expenses:	11,968	9,391
Investment losses on money trusts	9	-
Losses on sales of securities	4,469	3,360
Impairment losses on securities	497	1,031
Losses on redemption of securities	447	237
Foreign exchange losses	1,624	1,869
Other investment expenses	4,920	2,892
Operating expenses and general and administrative expenses	217,601	222,577
Other ordinary expenses:	7,840	7,714
Interest expense	6,325	6,721
Provision for bad debts	1,160	-
Losses on bad debts	9	1
Other ordinary expenses	345	991
Ordinary profit	215,542	262,552
Extraordinary income:	1,379	7,207
Gains on sales of fixed assets	1,379	7,207
Extraordinary losses:	8,479	5,636
Losses on sales of fixed assets	700	763
Impairment losses on fixed assets	489	860
Provision for reserves under the special laws:	3,667	4,011
Provision for reserve for price fluctuation	3,667	4,011
Other extraordinary losses	3,621	-
Income before income taxes	208,442	264,123
Income taxes - current	56,972	73,452
Income taxes - deferred	(13,098)	(7,566)
Total income taxes	43,874	65,885
Net income	164,568	198,237

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, 2017	March 31, 2018
(A) Total amount of solvency margin	2,840,438	3,293,687
Total net assets	639,997	769,056
Reserve for price fluctuation	67,801	71,813
Contingency reserve	589	-
Catastrophe reserve	536,735	552,914
General bad debt reserve	156	156
Net unrealized gains/(losses) on investments in securities and net deferred gains/(losses) on hedges (prior to tax effect deductions)	1,164,861	1,276,455
Net unrealized gains/(losses) on land	45,296	50,064
Excess of policyholders' contract deposits (a)	-	-
Subordinated debts, etc. (b)	256,191	386,191
Amount excluded from the margin, out of (a) and (b)	-	-
Deductions	14,646	6,642
Others	143,455	193,676
(B) Total amount of risks $\sqrt{(R_1 + R_2)^2 + (R_3 + R_4)^2} + R_5 + R_6$	863,472	939,444
General insurance risk (R_1)	125,601	128,268
Insurance risk of third sector insurance contracts (R_2)	-	-
Assumed interest rate risk (R_3)	16,637	15,571
Asset management risk (R_4)	696,215	771,448
Business administration risk (R_5)	19,178	20,731
Catastrophe risk (R_6)	120,461	121,308
(C) Solvency margin ratio [(A) / {(B) x 1/2}] x 100	657.9 %	701.1 %

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

Non-Consolidated Balance Sheets

(Yen in millions)

Items	March 31, 2017	March 31, 2018
(Assets)		
Cash, deposits and savings:	172,323	165,103
Cash on hand	21	20
Deposits in banks	172,302	165,083
Call loans	15,000	-
Money trusts	2,502	2,383
Investments in securities:	2,577,087	2,597,124
Government bonds	670,598	640,924
Municipal bonds	20,726	21,152
Corporate bonds	279,472	263,257
Domestic stocks	843,368	922,714
Foreign securities	707,044	684,083
Other securities	55,876	64,991
Loans:	210,917	200,051
Policy loans	3,384	3,063
General loans	207,533	196,987
Tangible fixed assets:	174,597	171,168
Land	76,916	75,219
Buildings	86,506	84,234
Lease assets	29	14
Construction in progress	1,187	1,484
Other tangible fixed assets	9,957	10,216
Intangible fixed assets:	19,679	27,524
Software	14,633	9,325
Other intangible fixed assets	5,045	18,199
Other assets:	276,730	296,367
Premiums receivable	2,639	2,416
Due from agencies	79,671	78,533
Due from foreign agencies	800	931
Co-insurance accounts receivable	3,813	3,379
Reinsurance accounts receivable	54,357	53,568
Foreign reinsurance accounts receivable	49,319	72,006
Agency business accounts receivable	65	70
Other receivables	40,227	38,706
Accrued income	7,916	7,086
Guarantee deposits	7,061	6,821
Deposits with the Japan Earthquake Reinsurance Company	3,961	4,228
Suspense payments	23,333	24,122
Derivative financial instruments	3,563	4,496
Prepaid pension expenses	27,150	23,672
Deferred tax assets	16,329	-
Customers' liabilities under acceptances and guarantees	7,530	4,500
Bad debt reserve	(1,584)	(1,226)
Total assets	3,498,264	3,486,669

(Yen in millions)

Items	March 31, 2017	March 31, 2018
(Liabilities)		
Policy liabilities:	2,425,101	2,483,038
Outstanding claims	526,764	572,979
Underwriting reserves	1,898,337	1,910,058
Bonds issued	50,000	22,000
Other liabilities:	154,423	159,007
Co-insurance accounts payable	3,966	3,245
Reinsurance accounts payable	57,124	49,207
Foreign reinsurance accounts payable	21,389	36,314
Agency business accounts payable	1,478	1,550
Borrowings	8	-
Income taxes payable	17,290	17,450
Deposits received	2,888	3,049
Unearned income	18	13
Other payables	26,495	28,407
Suspense receipts	18,807	18,014
Derivative financial instruments	4,264	911
Lease obligations	30	14
Asset retirement obligations	661	829
Other liabilities	0	0
Reserve for pension and retirement benefits	22,840	26,891
Accrued bonuses for employees	5,919	5,859
Reserve for reorganization by function	2,288	1,527
Reserves under the special laws:	37,114	1,688
Reserve for price fluctuation	37,114	1,688
Deferred tax liabilities	-	1,090
Acceptances and guarantees	7,530	4,500
Total liabilities	2,705,218	2,705,604
(Net assets)		
Common stock	100,005	100,005
Capital surplus:	81,207	81,207
Additional paid-in capital	52,593	52,593
Other capital surplus	28,614	28,614
Retained earnings:	237,071	172,552
Legal earned reserve	47,411	47,411
Other retained earnings:	189,660	125,141
Retained earnings brought forward	189,660	125,141
Total shareholders' equity	418,284	353,765
Net unrealized gains/(losses) on investments in securities	374,762	427,298
Total valuation and translation adjustments	374,762	427,298
Total net assets	793,046	781,064
Total liabilities and net assets	3,498,264	3,486,669

Non-Consolidated Statements of Income

(Yen in millions)

Items	Year ended March 31, 2017	Year ended March 31, 2018
Ordinary income:	1,304,987	1,335,258
Underwriting income:	1,246,626	1,265,331
Net premiums written	1,200,525	1,222,017
Deposit premiums from policyholders	28,506	26,278
Investment income on deposit premiums from policyholders	17,365	16,728
Other underwriting income	228	307
Investment income:	52,058	61,019
Interest and dividends income	55,409	58,498
Investment gains on money trusts	1	2
Gains on sales of securities	13,349	18,718
Gains on redemption of securities	425	462
Other investment income	238	66
Transfer of investment income on deposit premiums from policyholders	(17,365)	(16,728)
Other ordinary income	6,302	8,906
Ordinary expenses:	1,229,799	1,329,641
Underwriting expenses:	1,026,167	1,087,152
Net claims paid	648,618	660,699
Loss adjustment expenses	60,829	62,886
Commissions and collection expenses	223,848	234,977
Maturity refunds to policyholders	69,648	67,427
Dividends to policyholders	59	38
Provision for outstanding claims	15,205	46,214
Provision for underwriting reserves	5,077	11,721
Foreign exchange losses	1,562	10
Other underwriting expenses	1,318	3,175
Investment expenses:	14,439	57,877
Losses on sales of securities	4,298	3,189
Impairment losses on securities	4,919	49,040
Losses on redemption of securities	370	499
Losses on derivative transactions	4,102	3,572
Foreign exchange losses	125	507
Other investment expenses	622	1,067
Operating expenses and general and administrative expenses	186,846	182,720
Other ordinary expenses:	2,345	1,891
Interest expense	755	571
Provision for bad debts	295	-
Losses on bad debts	0	0
Other ordinary expenses	1,294	1,319
Ordinary profit	75,188	5,616
Extraordinary income:	2,644	37,778
Gains on sales of fixed assets	2,644	2,352
Reversal of reserves under the special laws:	-	35,425
Reversal of reserve for price fluctuation	-	35,425
Extraordinary losses:	11,015	6,599
Losses on sales of fixed assets	1,922	4,609
Impairment losses on fixed assets	5,709	1,979
Provision for reserves under the special laws:	589	-
Provision for reserve for price fluctuation	589	-
Losses on reduction of tangible fixed assets	-	11
Other extraordinary losses	2,795	-
Income before income taxes	66,816	36,794
Income taxes - current	17,097	24,465
Income taxes - deferred	(672)	(3,291)
Total income taxes	16,425	21,173
Net income	50,391	15,620

Non-Consolidated Solvency Margin Ratio

(Yen in millions)

	March 31, 2017	March 31, 2018
(A) Total amount of solvency margin	1,332,714	1,268,359
Total net assets	398,099	324,431
Reserve for price fluctuation	37,114	1,688
Contingency reserve	747	747
Catastrophe reserve	318,711	347,678
General bad debt reserve	296	199
Net unrealized gains/(losses) on investments in securities and net deferred gains/(losses) on hedges (prior to tax effect deductions)	455,477	521,401
Net unrealized gains/(losses) on land	14,099	18,026
Excess of policyholders' contract deposits (a)	-	-
Subordinated debts, etc. (b)	50,000	17,600
Amount excluded from the margin, out of (a) and (b)	-	-
Deductions	10,743	3,824
Others	68,911	40,411
(B) Total amount of risks $\sqrt{(R_1 + R_2)^2 + (R_3 + R_4)^2} + R_5 + R_6$	312,981	323,538
General insurance risk (R ₁)	103,370	105,821
Insurance risk of third sector insurance contracts (R ₂)	-	-
Assumed interest rate risk (R ₃)	8,387	7,831
Asset management risk (R ₄)	221,083	229,683
Business administration risk (R ₅)	7,728	7,977
Catastrophe risk (R ₆)	53,574	55,539
(C) Solvency margin ratio [(A) / {(B) x 1/2}] x 100	851.6 %	784.0 %

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

Non-Consolidated Balance Sheets

(Yen in millions)

Items	March 31, 2017	March 31, 2018
(Assets)		
Cash, deposits and savings:	12,180	18,067
Deposits in banks	12,180	18,067
Investments in securities:	39,510	33,621
Government bonds	1,865	1,656
Municipal bonds	21,537	21,136
Corporate bonds	16,107	10,828
Tangible fixed assets:	367	377
Buildings	56	50
Other tangible fixed assets	310	327
Intangible fixed assets:	2,307	3,307
Software	2,217	2,207
Other intangible fixed assets	89	1,100
Other assets:	5,625	6,124
Premiums receivable	0	0
Other receivables	3,330	3,756
Accrued income	58	52
Guarantee deposits	352	352
Suspense payments	1,880	1,961
Other assets	2	1
Bad debt reserve	(4)	(9)
Total assets	59,987	61,489
(Liabilities)		
Policy liabilities:	44,851	45,870
Outstanding claims	24,157	24,796
Underwriting reserves	20,693	21,073
Other liabilities:	1,254	1,422
Reinsurance accounts payable	1	1
Income taxes payable	119	224
Other payables	1,101	1,171
Suspense receipts	14	7
Asset retirement obligations	17	17
Reserve for pension and retirement benefits	52	104
Accrued bonuses for employees	262	263
Reserves under the special laws:	56	63
Reserve for price fluctuation	56	63
Deferred tax liabilities	119	93
Total liabilities	46,596	47,819
(Net assets)		
Common stock	39,106	39,106
Capital surplus:	9,006	9,006
Additional paid-in capital	9,006	9,006
Retained earnings:	(34,820)	(34,492)
Other retained earnings:	(34,820)	(34,492)
Retained earnings brought forward	(34,820)	(34,492)
Total shareholders' equity	13,291	13,619
Net unrealized gains/(losses) on investments in securities	99	50
Total valuation and translation adjustments	99	50
Total net assets	13,390	13,670
Total liabilities and net assets	59,987	61,489

Non-Consolidated Statements of Income

(Yen in millions)

Items	Year ended March 31, 2017	Year ended March 31, 2018
Ordinary income:	37,753	37,965
Underwriting income:	37,670	37,892
Net premiums written	37,653	37,873
Investment income on deposit premiums from policyholders	17	18
Investment income:	73	59
Interest and dividends income	89	73
Gains on sales of securities	0	4
Transfer of investment income on deposit premiums from policyholders	(17)	(18)
Other ordinary income	9	14
Ordinary expenses:	38,708	37,514
Underwriting expenses:	30,627	28,948
Net claims paid	25,745	24,823
Loss adjustment expenses	2,822	2,825
Commissions and collection expenses	254	280
Provision for outstanding claims	1,178	638
Provision for underwriting reserves	627	380
Investment expenses:	-	0
Losses on sales of securities	-	0
Operating expenses and general and administrative expenses	8,047	8,556
Other ordinary expenses:	33	8
Provision for bad debts	2	5
Other ordinary expenses	30	2
Ordinary profit/(loss)	(955)	451
Extraordinary income	-	-
Extraordinary losses:	12	6
Losses on sales of fixed assets	4	0
Provision for reserves under the special laws:	7	6
Provision for reserve for price fluctuation	7	6
Income /(loss) before taxes	(967)	445
Income taxes - current	14	123
Income taxes - deferred	22	(6)
Total income taxes	36	117
Net income/(loss)	(1,004)	328

Non-Consolidated Solvency Margin Ratio

(Yen in millions)

	March 31, 2017	March 31, 2018
(A) Total amount of solvency margin	14,705	14,992
Total net assets	13,291	13,619
Reserve for price fluctuation	56	63
Contingency reserve	0	0
Catastrophe reserve	1,231	1,242
General bad debt reserve	1	3
Net unrealized gains/(losses) on investments in securities and net deferred gains/(losses) on hedges (prior to tax effect deductions)	124	63
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 $\sqrt{(R_1 + R_2)^2 + (R_3 + R_4)^2} + R_5 + R_6$	6,817	6,553
General insurance risk (R_1)	6,227	5,978
Insurance risk of third sector insurance contracts (R_2)	-	-
Assumed interest rate risk (R_3)	0	0
Asset management risk (R_4)	912	853
Business administration risk (R_5)	223	213
Catastrophe risk (R_6)	300	300
(C) Solvency margin ratio $[(A) / \{(B) \times 1/2\}] \times 100$	431.4 %	457.5 %

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

Non-Consolidated Balance Sheets

(Yen in millions)

Items	March 31, 2017	March 31, 2018
(Assets)		
Cash, deposits and savings:	290,010	164,811
Cash on hand	0	0
Deposits in banks	290,009	164,811
Receivables under securities borrowing transactions	285,455	309,644
Investments in securities:	2,919,795	3,260,140
Government bonds	1,804,655	1,968,530
Municipal bonds	135,839	163,323
Corporate bonds	726,620	862,383
Domestic stocks	1,314	1,362
Foreign securities	244,182	219,641
Other securities	7,183	44,898
Loans:	55,198	57,079
Policy loans	55,198	57,079
Tangible fixed assets:	4,638	3,997
Buildings	620	572
Lease assets	2,724	2,155
Other tangible fixed assets	1,292	1,269
Intangible fixed assets:	20,987	26,417
Software	6,440	8,103
Other intangible fixed assets	14,547	18,314
Due from agencies	116	127
Reinsurance accounts receivable	1,018	663
Other assets:	42,103	46,963
Other receivables	30,610	33,014
Prepaid expenses	1,537	1,427
Accrued income	6,949	7,143
Guarantee deposits	328	350
Derivative financial instruments	2,029	4,042
Suspense payments	621	960
Other assets	24	24
Bad debt reserve	(128)	(114)
Total assets	3,619,194	3,869,730

(Yen in millions)

Items	March 31, 2017	March 31, 2018
(Liabilities)		
Policy liabilities:	2,934,939	3,182,433
Outstanding claims	27,648	28,102
Underwriting reserves	2,896,459	3,143,804
Reserve for dividends to policyholders	10,831	10,526
Due to agencies	5,626	4,562
Reinsurance accounts payable	283	263
Other liabilities:	375,124	395,303
Payables under securities lending transactions	361,797	381,139
Income taxes payable	853	758
Other payables	140	128
Accrued expenses	7,450	9,527
Unearned income	0	0
Deposits received	91	179
Derivative financial instruments	544	391
Lease obligations	2,976	2,364
Asset retirement obligations	429	432
Suspense receipts	839	382
Reserve for pension and retirement benefits	2,535	3,137
Reserve for retirement benefits for officers	28	22
Reserves under the special laws:	5,988	6,862
Reserve for price fluctuation	5,988	6,862
Deferred tax liabilities	18,397	12,619
Total liabilities	3,342,924	3,605,205
(Net assets)		
Common stock	85,500	85,500
Capital surplus:	93,688	93,688
Additional paid-in capital	63,214	63,214
Other capital surplus	30,473	30,473
Retained earnings:	6,133	7,870
Legal earned reserve	-	708
Other retained earnings:	6,133	7,162
Retained earnings brought forward	6,133	7,162
Total shareholders' equity	185,321	187,058
Net unrealized gains/(losses) on investments in securities	90,948	77,466
Total valuation and translation adjustments	90,948	77,466
Total net assets	276,270	264,524
Total liabilities and net assets	3,619,194	3,869,730

Non-Consolidated Statements of Income

(Yen in millions)

Items	Year ended March 31, 2017	Year ended March 31, 2018
Ordinary income:	530,173	550,495
Insurance premiums and others:	480,264	493,748
Insurance premiums	478,928	492,591
Reinsurance income	1,335	1,156
Investment income:	47,500	53,817
Interest and dividends income:	43,797	44,603
Interest on deposits	0	0
Interest and dividends on securities	42,034	42,699
Interest on loans	1,572	1,617
Other interest and dividends	189	287
Gains on sales of securities	3,703	9,209
Foreign exchange gains	-	1
Reversal of bad debts	-	2
Other ordinary income:	2,408	2,929
Receipts of annuities with special conditions	367	923
Receipts of deferred insurance claims	1,545	1,519
Other ordinary income	495	486
Ordinary expenses:	514,019	533,521
Insurance claims and others:	183,438	189,390
Insurance claims	40,756	41,353
Annuity payments	15,737	16,924
Benefits	17,271	19,878
Surrender benefits	104,943	106,304
Other refunds	3,151	3,735
Reinsurance premiums	1,578	1,195
Provision for underwriting reserves and others:	237,453	247,798
Provision for outstanding claims	2,789	454
Provision for underwriting reserves	234,662	247,344
Provision for interest portion of reserve for dividends to policyholders	0	0
Investment expenses:	3,860	3,881
Interest expense	67	63
Losses on sales of securities	894	1,944
Losses on derivative transactions	2,792	1,793
Foreign exchange losses	4	-
Provision for bad debts	54	-
Other investment expenses	46	79
Operating expenses	76,907	79,359
Other ordinary expenses:	12,359	13,090
Payments of deferred insurance claims	1,348	1,562
Taxes	6,805	6,599
Depreciation	3,815	4,323
Provision for reserve for pension and retirement benefits	348	601
Other ordinary expenses	42	2
Ordinary profit	16,153	16,973
Extraordinary income:	3	1
Gains on sales of fixed assets	3	1
Extraordinary losses:	775	885
Losses on sales of fixed assets	17	11
Provision for reserves under the special laws:	757	874
Provision for reserve for price fluctuation	757	874
Provision for reserve for dividends to policyholders	8,972	9,214
Income before income taxes	6,409	6,874
Income taxes - current	2,728	2,132
Income taxes - deferred	(913)	(534)
Total income taxes	1,815	1,597
Net income	4,594	5,277

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

(Yen in 100 millions)

	March 31, 2017		March 31, 2018	
	Number of policies (in thousands)	Amount	Number of policies (in thousands)	Amount
Individual insurance	2,938	224,779	3,057	230,952
Individual annuities	186	7,362	182	7,115
Group insurance	-	70,743	-	78,598
Group annuities	-	3	-	3

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

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

(2) New policies

(Yen in 100 millions)

	Year ended March 31, 2017				Year ended March 31, 2018			
	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	317	23,468	23,468	-	273	26,292	26,292	-
Individual annuities	7	302	302	-	1	102	102	-
Group insurance	-	610	610	-	-	1,445	1,445	-
Group annuities	-	-	-	-	-	-	-	-

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

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

(Yen in 100 millions)

	March 31, 2017	March 31, 2018
Individual insurance	3,577	3,693
Individual annuities	433	430
Total:	4,010	4,123
Medical coverage, living benefits, etc.	884	967

(2) New policies

(Yen in 100 millions)

	Year ended March 31, 2017	Year ended March 31, 2018
Individual insurance	501	383
Individual annuities	15	4
Total:	517	388
Medical coverage, living benefits, etc.	152	139

(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, 2017	Year ended March 31, 2018	Change
Fundamental revenues:	526,470	541,283	14,813
Insurance premiums and others	480,264	493,748	13,484
Fundamental expenses	507,853	528,477	20,624
Fundamental profit	18,616	12,806	(5,810)
Capital gains/(losses)	12	5,472	5,460
Non-recurring gains/(losses)	(2,475)	(1,304)	1,171
Ordinary profit	16,153	16,973	820
Extraordinary income	3	1	(1)
Extraordinary losses	775	885	110
Provision for reserve for dividends to policyholders	8,972	9,214	242
Income taxes	1,815	1,597	(217)
Net income	4,594	5,277	682

Non-Consolidated Solvency Margin Ratio

(Yen in millions)

	March 31, 2017	March 31, 2018
(A) Total amount of solvency margin	487,958	484,904
Total capital	183,197	186,080
Reserve for price fluctuation	5,988	6,862
Contingency reserve	31,584	32,890
General bad debt reserve	25	23
Net unrealized gains/(losses) on investments in securities and net deferred gains/(losses) on hedges (prior to tax effect deductions) x 90%	113,685	96,832
Net unrealized gains/(losses) on land x 85%	-	-
Excess of continued Zillmerized reserve (a)	151,430	159,410
Subordinated debts, etc. (b)	-	-
Amount excluded from the margin, out of (a) and (b)	-	-
Brought in capital	-	-
Deductions	-	-
Others	2,046	2,804
(B) Total amount of risks $\sqrt{(R_1 + R_8)^2 + (R_2 + R_3 + R_7)^2} + R_4$	51,546	56,163
Insurance risk (R ₁)	16,565	17,411
Insurance risk of third sector insurance contracts (R ₈)	11,315	11,658
Assumed interest rate risk (R ₂)	3,080	3,115
Minimum guarantee risk (R ₇)	-	-
Asset management risk (R ₃)	38,611	43,169
Business administration risk (R ₄)	1,391	1,507
(C) Solvency margin ratio [(A) / {(B) x 1/2}] x 100	1,893.2 %	1,726.7 %

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

Non-Consolidated Balance Sheets

(Yen in millions)

Items	March 31, 2017	March 31, 2018
(Assets)		
Cash, deposits and savings:	141,458	178,099
Deposits in banks	141,458	178,099
Monetary claims bought	41,499	39,999
Money trusts	965,032	1,037,295
Investments in securities:	4,404,883	4,612,983
Government bonds	68,744	67,101
Municipal bonds	6,739	2,960
Corporate bonds	55,882	78,203
Foreign securities	1,715,807	2,043,356
Other securities	2,557,710	2,421,360
Loans:	208,643	239,778
Policy loans	422	433
General loans	208,220	239,345
Tangible fixed assets:	560	892
Buildings	246	244
Lease assets	188	541
Other tangible fixed assets	126	106
Intangible fixed assets:	4,471	6,638
Software	4,467	6,419
Lease assets	3	218
Reinsurance accounts receivable	2,851	3,813
Other assets:	25,001	41,616
Other receivables	3,798	17,446
Prepaid expenses	362	694
Accrued income	16,023	18,256
Guarantee deposits	3,810	4,504
Derivative financial instruments	2	0
Suspense payments	1,005	709
Other assets	-	5
Deferred tax assets	43,644	40,636
Total assets	5,838,048	6,201,753
(Liabilities)		
Policy liabilities:	5,561,432	5,916,715
Outstanding claims	12,418	17,382
Underwriting reserves	5,549,014	5,899,332
Due to agencies	4,984	4,555
Reinsurance accounts payable	7,199	4,244
Other liabilities:	42,675	39,648
Income taxes payable	2,911	1,501
Other payables	8,672	8,346
Accrued expenses	4,550	5,482
Deposits received	19,343	18,821
Derivative financial instruments	6	1
Lease obligations	207	833
Asset retirement obligations	132	134
Suspense receipts	6,851	4,527
Reserves under the special laws:	84,000	72,500
Reserve for price fluctuation	84,000	72,500
Total liabilities	5,700,291	6,037,664
(Net assets)		
Common stock	41,060	41,060
Capital surplus:	24,735	24,735
Additional paid-in capital	24,735	24,735
Retained earnings:	64,435	89,878
Legal earned reserve	1,850	2,604
Other retained earnings:	62,585	87,274
Retained earnings brought forward	62,585	87,274
Total shareholders' equity	130,230	155,673
Net unrealized gains/(losses) on investments in securities	7,522	8,207
Net deferred gains/(losses) on hedges	3	207
Total valuation and translation adjustments	7,525	8,414
Total net assets	137,756	164,088
Total liabilities and net assets	5,838,048	6,201,753

Non-Consolidated Statements of Income

(Yen in millions)

Items	Year ended March 31, 2017	Year ended March 31, 2018
Ordinary income:	1,272,843	1,256,486
Insurance premiums and others:	1,083,895	1,059,512
Insurance premiums	1,071,113	1,015,601
Reinsurance income	12,781	43,911
Investment income:	185,621	193,690
Interest and dividends income:	60,761	76,884
Interest on deposits	147	131
Interest and dividends on securities	53,841	68,185
Interest on loans	6,400	8,192
Other interest and dividends	371	376
Investment gains on money trusts	14,512	-
Gains on sales of securities	1,306	1,506
Gains on redemption of securities	-	0
Foreign exchange gains	27,658	-
Investment gains on separate accounts	81,380	115,299
Other ordinary income:	3,327	3,282
Receipts of annuities with special conditions	3,313	3,239
Other ordinary income	14	43
Ordinary expenses:	1,215,151	1,227,546
Insurance claims and others:	469,395	694,801
Insurance claims	58,807	73,274
Annuity payments	82,882	88,563
Benefits	126,563	178,199
Surrender benefits	118,042	223,918
Other refunds	3,357	2,791
Reinsurance premiums	79,742	128,054
Provision for underwriting reserves and others:	673,078	355,283
Provision for outstanding claims	2,813	4,964
Provision for underwriting reserves	670,265	350,318
Investment expenses:	1,527	118,896
Interest expense	0	0
Investment losses on money trusts	-	5,195
Losses on sales of securities	1,299	-
Losses on redemption of securities	1	-
Losses on derivative transactions	174	-
Foreign exchange losses	-	113,646
Other investment expenses	51	54
Operating expenses	61,328	50,236
Other ordinary expenses:	9,820	8,328
Taxes	8,038	6,417
Depreciation	1,779	1,909
Other ordinary expenses	2	2
Ordinary profit	57,692	28,939
Extraordinary income:	-	11,500
Reversal of reserves under the special laws:	-	11,500
Reversal of reserve for price fluctuation	-	11,500
Extraordinary losses:	28,907	-
Losses on sales of fixed assets	1	-
Provision for reserves under the special laws:	28,906	-
Provision for reserve for price fluctuation	28,906	-
Income before income taxes	28,784	40,439
Income taxes - current	16,800	8,565
Income taxes - deferred	(8,718)	2,662
Total income taxes	8,081	11,227
Net income	20,703	29,212

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

(1) Policies in force

(Yen in 100 millions)

	March 31, 2017		March 31, 2018	
	Number of policies (in thousands)	Amount	Number of policies (in thousands)	Amount
Individual insurance	597	33,352	687	37,873
Individual annuities	323	23,455	338	22,745
Group insurance	-	-	-	-
Group annuities	-	-	-	-

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

(2) New policies

(Yen in 100 millions)

	Year ended March 31, 2017				Year ended March 31, 2018			
	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	158	9,026	9,026	-	118	8,093	8,093	-
Individual annuities	24	1,296	1,296	-	44	2,063	2,063	-
Group insurance	-	-	-	-	-	-	-	-
Group annuities	-	-	-	-	-	-	-	-

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

Annualized Premiums

(1) Policies in force

(Yen in 100 millions)

	March 31, 2017	March 31, 2018
Individual insurance	2,217	2,641
Individual annuities	3,104	2,307
Total:	5,321	4,948
Medical coverage, living benefits, etc.	0	0

(2) New policies

(Yen in 100 millions)

	Year ended March 31, 2017	Year ended March 31, 2018
Individual insurance	667	650
Individual annuities	922	288
Total:	1,589	938
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, 2017	Year ended March 31, 2018	Change
Fundamental revenues:	1,269,861	1,270,108	246
Insurance premiums and others	1,083,895	1,059,512	(24,382)
Fundamental expenses	1,217,105	1,261,245	44,140
Fundamental profit	52,755	8,862	(43,893)
Capital gains/(losses)	6,233	21,219	14,986
Non-recurring gains/(losses)	(1,296)	(1,141)	155
Ordinary profit	57,692	28,939	(28,752)
Extraordinary income	-	11,500	11,500
Extraordinary losses	28,907	-	(28,907)
Provision for reserve for dividends to policyholders	-	-	-
Income taxes	8,081	11,227	3,145
Net income	20,703	29,212	8,509

(Note) Since the year ended March 31, 2018, the disclosure method of the breakdown of ordinary profit relating to the effect of change in surrender values associated with market value adjustment has been modified. As a result, fundamental profit decreased by ¥53 million and capital gains increased by the same amount for the year ended March 31, 2018, compared to those before the modification. The figures for the year ended March 31, 2017 were also restated accordingly. As a result, fundamental profit increased by ¥110 million and capital gains decreased by the same amount for the year ended March 31, 2017, compared to those before the modification.

Non-Consolidated Solvency Margin Ratio

(Yen in millions)

	March 31, 2017	March 31, 2018
(A) Total amount of solvency margin	558,542	605,676
Total capital	126,749	149,053
Reserve for price fluctuation	84,000	72,500
Contingency reserve	74,456	75,597
General bad debt reserve	-	-
Net unrealized gains/(losses) on investments in securities and net deferred gains/(losses) on hedges (prior to tax effect deductions) x 90%	9,402	10,258
Net unrealized gains/(losses) on land x 85%	-	-
Excess of continued Zillmerized reserve (a)	241,219	267,415
Subordinated debts, etc. (b)	-	-
Amount excluded from the margin, out of (a) and (b)	-	-
Brought in capital	-	-
Deductions	-	-
Others	22,714	30,850
(B) Total amount of risks $\sqrt{(R_1 + R_8)^2 + (R_2 + R_3 + R_7)^2} + R_4$	108,399	121,997
Insurance risk (R ₁)	89	117
Insurance risk of third sector insurance contracts (R ₈)	5	4
Assumed interest rate risk (R ₂)	41,902	45,460
Minimum guarantee risk (R ₇)	3,722	2,655
Asset management risk (R ₃)	60,647	71,487
Business administration risk (R ₄)	2,127	2,394
(C) Solvency margin ratio [(A) / {(B) x 1/2}] x 100	1,030.5 %	992.9 %

3. Supplementary Information on Business Results for the Year Ended March 31, 2018 for Press Conference

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

1. Basic Information

(Yen in 100 millions)

		Year ended March 31, 2017 (A)	Six months ended September 30, 2017 (B)	Year ended March 31, 2018 (C)	Change (C) - (A)	Change (C) - (B)
1	Net premiums written	14,696	7,816	15,003	306	-
	Change ratio	(2.5)%	3.3 %	2.1 %	4.6 %	(1.2)%
2	Total assets	67,770	70,017	70,982	3,211	964
3	Net loss ratio	61.2 %	54.4 %	61.6 %	0.4 %	7.2 %
4	Net expense ratio	31.2 %	29.8 %	31.3 %	0.1 %	1.5 %
5	Combined ratio	92.4 %	84.2 %	92.9 %	0.5 %	8.7 %
	Underwriting result ratio	7.6 %	15.8 %	7.1 %	(0.5)%	(8.7)%
6	Voluntary automobile insurance					
	Net premiums written	6,541	3,345	6,592	50	-
	Change ratio	1.3 %	1.1 %	0.8 %	(0.5)%	(0.3)%
	Underwriting result ratio	11.3 %	13.5 %	9.0 %	(2.3)%	(4.5)%
	Net loss ratio	57.3 %	55.9 %	59.1 %	1.8 %	3.2 %
	Net expense ratio	31.4 %	30.6 %	31.9 %	0.5 %	1.3 %
7	Fire and allied insurance					
	Net premiums written	1,838	1,053	1,967	128	-
	Change ratio	(24.2)%	11.7 %	7.0 %	31.2 %	(4.7)%
	Underwriting result ratio	(13.8)%	11.5 %	(10.9)%	2.9 %	(22.4)%
	Net loss ratio	72.0 %	50.9 %	71.2 %	(0.8)%	20.3 %
	Net expense ratio	41.8 %	37.6 %	39.7 %	(2.1)%	2.1 %
8	Number of employees	14,650	14,767	14,572	(78)	(195)
9	Number of agencies	41,305	40,860	40,267	(1,038)	(593)

(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, 2017 (A)	Six months ended September 30, 2017 (B)	Year ended March 31, 2018 (C)	Change (C) - (A)	Change (C) - (B)
1	Ordinary income	53,348	28,924	52,237	(1,110)	-
2	Net premiums written	34,069	18,641	34,469	399	-
	Change ratio	10.7 %	1.3 %	1.2 %	(9.5)%	(0.1)%
3	Life insurance premiums	12,531	5,111	10,582	(1,948)	-
	Change ratio	(7.6)%	(22.7)%	(15.6)%	(8.0)%	7.1 %
4	Ordinary profit	3,526	1,315	2,115	(1,410)	-
5	Net income attributable to owners of the parent	2,104	757	1,540	(563)	-

(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, 2017	September 30, 2017	March 31, 2018
Loans to borrowers in bankruptcy	0	0	-
Overdue loans	1	1	1
Loans overdue for three months or more	3	2	2
Restructured loans	4	4	4
Total	9	8	8
Ratio to total loans	0.2 %	0.2 %	0.2 %

(Reference) Total loans	4,181	3,957	3,933
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Results of self-assessment of assets

(Yen in 100 millions)

	March 31, 2017	September 30, 2017	March 31, 2018
Non-classified	64,498	67,198	66,373
Category II	3,231	2,786	4,578
Category III	16	15	15
Category IV	29	26	25
Subtotal (Categories II - IV)	3,278	2,829	4,619
Total	67,776	70,027	70,992

(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, 2017	Six months ended September 30, 2017	Year ended March 31, 2018
Domestic bonds	-	-	-
Domestic stocks	0	0	0
Foreign securities	4	5	5
Other securities	-	4	4
Total	4	9	10

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, 2017	Six months ended September 30, 2017	Year ended March 31, 2018
Land	1	0	4
Buildings	3	0	4
Others	0	-	-
Total	4	1	8

(d) Unrealized gains and losses on investments in securities

(Yen in 100 millions)

	March 31, 2017	September 30, 2017	March 31, 2018
Domestic bonds	1,548	1,492	1,508
Domestic stocks	11,278	12,653	12,683
Foreign securities	78	188	(21)
Other securities	34	29	26
Total	12,940	14,363	14,197

(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, excluding residential earthquake insurance

(Yen in 100 millions)

	Year ended March 31, 2017	Six months ended September 30, 2017	Year ended March 31, 2018
Direct claims paid	335	45	367
Net claims paid	253	44	348
Outstanding claims	89	109	78

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

(f) Catastrophe reserve

(Yen in 100 millions)

Lines of insurance	March 31, 2017			September 30, 2017			March 31, 2018		
	Balance	Reserve Ratio	Provision	Balance	Reserve Ratio	Provision	Balance	Reserve Ratio	Provision
Fire and allied	1,460	79.7 %	229	1,513	72.0 %	52	1,294	66.0 %	98
Marine	781	133.2 %	27	795	128.3 %	14	798	132.0 %	28
Personal accident	677	47.2 %	45	701	45.2 %	24	723	49.0 %	46
Voluntary automobile	589	9.0 %	209	697	10.4 %	107	764	11.6 %	211
Other	1,780	73.4 %	131	1,855	68.6 %	75	1,865	74.1 %	137
Total	5,288	41.3 %	642	5,562	40.7 %	274	5,446	41.4 %	522

(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) Reinsurance assumed

(Yen in 100 millions)

Lines of insurance	Year ended March 31, 2017		Year ended March 31, 2018	
	Net reinsurance assumed premiums written	Net reinsurance assumed claims paid	Net reinsurance assumed premiums written	Net reinsurance assumed claims paid
Fire and allied	287	274	308	249
Marine	142	70	150	81
Personal accident	11	7	9	6
Voluntary automobile	32	25	33	23
Compulsory automobile liability	1,429	1,368	1,375	1,351
Other	162	238	190	140
Total	2,067	1,984	2,069	1,851

(h) Reinsurance ceded

(Yen in 100 millions)

Lines of insurance	Year ended March 31, 2017		Year ended March 31, 2018	
	Net reinsurance ceded premiums written	Net reinsurance ceded claims paid	Net reinsurance ceded premiums written	Net reinsurance ceded claims paid
Fire and allied	1,035	753	1,044	315
Marine	343	206	349	155
Personal accident	110	54	107	56
Voluntary automobile	82	43	84	44
Compulsory automobile liability	1,345	1,278	1,211	1,255
Other	556	332	609	268
Total	3,475	2,668	3,406	2,095

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

1. Basic Information

(Yen in 100 millions)

		Year ended March 31, 2017 (A)	Six months ended September 30, 2017 (B)	Year ended March 31, 2018 (C)	Change (C) - (A)	Change (C) - (B)
1	Net premiums written	12,005	6,301	12,220	214	-
	Change ratio	0.7 %	3.4 %	1.8 %	1.1 %	(1.6)%
2	Total assets	34,982	36,037	34,866	(115)	(1,170)
3	Net loss ratio	59.1 %	53.2 %	59.2 %	0.1 %	6.0 %
4	Net expense ratio	33.5 %	32.5 %	33.4 %	(0.1)%	0.9 %
5	Combined ratio	92.6 %	85.7 %	92.6 %	0.0 %	6.9 %
	Underwriting result ratio	7.4 %	14.3 %	7.4 %	0.0 %	(6.9)%
6	Voluntary automobile insurance					
	Net premiums written	6,804	3,470	6,840	36	-
	Change ratio	1.3 %	0.4 %	0.5 %	(0.8)%	0.1 %
	Underwriting result ratio	9.9 %	14.2 %	9.4 %	(0.5)%	(4.8)%
	Net loss ratio	56.8 %	54.0 %	58.2 %	1.4 %	4.2 %
	Net expense ratio	33.3 %	31.8 %	32.4 %	(0.9)%	0.6 %
7	Fire and allied insurance					
	Net premiums written	1,530	909	1,744	213	-
	Change ratio	(8.7)%	21.2 %	14.0 %	22.7 %	(7.2)%
	Underwriting result ratio	1.6 %	19.1 %	(0.4)%	(2.0)%	(19.5)%
	Net loss ratio	56.2 %	41.6 %	59.8 %	3.6 %	18.2 %
	Net expense ratio	42.2 %	39.3 %	40.6 %	(1.6)%	1.3 %
8	Number of employees	13,052	13,453	13,287	235	(166)
9	Number of agencies	53,055	49,005	48,265	(4,790)	(740)

(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, 2017	September 30, 2017	March 31, 2018
Loans to borrowers in bankruptcy	0	1	-
Overdue loans	5	3	2
Loans overdue for three months or more	1	2	2
Restructured loans	11	10	10
Total	19	18	14
Ratio to total loans	0.9 %	0.9 %	0.7 %

(Reference) Total loans	2,109	2,042	2,000
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Results of self-assessment of assets

(Yen in 100 millions)

	March 31, 2017	September 30, 2017	March 31, 2018
Non-classified	34,340	35,497	34,780
Category II	505	471	116
Category III	0	0	0
Category IV	73	25	501
Subtotal (Categories II - IV)	580	498	618
Total	34,921	35,995	35,398

(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, 2017	Six months ended September 30, 2017	Year ended March 31, 2018
Domestic bonds	-	-	-
Domestic stocks	6	0	22
Foreign securities	43	0	467
Other securities	-	2	-
Total	49	2	490

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, 2017	Six months ended September 30, 2017	Year ended March 31, 2018
Land	21	2	2
Buildings	34	15	17
Others	1	-	-
Total	57	18	19

(d) Unrealized gains and losses on investments in securities

(Yen in 100 millions)

	March 31, 2017	September 30, 2017	March 31, 2018
Domestic bonds	648	632	613
Domestic stocks	3,913	4,657	4,851
Foreign securities	433	513	270
Other securities	56	75	53
Total	5,052	5,878	5,788

(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, excluding residential earthquake insurance

(Yen in 100 millions)

	Year ended March 31, 2017	Six months ended September 30, 2017	Year ended March 31, 2018
Direct claims paid	173	27	244
Net claims paid	142	27	235
Outstanding claims	25	66	67

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

(f) Catastrophe reserve

(Yen in 100 millions)

Lines of insurance	March 31, 2017			September 30, 2017			March 31, 2018		
	Balance	Reserve Ratio	Provision	Balance	Reserve Ratio	Provision	Balance	Reserve Ratio	Provision
Fire and allied	1,265	83.0 %	144	1,340	73.9 %	74	1,374	79.0 %	142
Marine	139	254.7 %	0	139	153.9 %	0	140	187.5 %	1
Personal accident	651	106.1 %	19	661	102.3 %	10	670	109.4 %	19
Voluntary automobile	438	6.5 %	217	550	7.9 %	111	542	7.9 %	219
Other	641	48.8 %	62	675	50.5 %	33	695	54.5 %	62
Total	3,136	30.4 %	445	3,367	31.1 %	230	3,424	32.5 %	444

(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) Reinsurance assumed

(Yen in 100 millions)

Lines of insurance	Year ended March 31, 2017		Year ended March 31, 2018	
	Net reinsurance assumed premiums written	Net reinsurance assumed claims paid	Net reinsurance assumed premiums written	Net reinsurance assumed claims paid
Fire and allied	374	136	506	239
Marine	56	25	77	31
Personal accident	23	13	29	15
Voluntary automobile	206	111	250	155
Compulsory automobile liability	1,217	1,211	1,175	1,174
Other	328	234	411	236
Total	2,207	1,733	2,451	1,853

(h) Reinsurance ceded

(Yen in 100 millions)

Lines of insurance	Year ended March 31, 2017		Year ended March 31, 2018	
	Net reinsurance ceded premiums written	Net reinsurance ceded claims paid	Net reinsurance ceded premiums written	Net reinsurance ceded claims paid
Fire and allied	735	541	729	107
Marine	1	1	1	8
Personal accident	61	19	68	19
Voluntary automobile	21	7	22	10
Compulsory automobile liability	1,410	1,349	1,258	1,329
Other	428	324	573	309
Total	2,658	2,243	2,653	1,785