

[Attachment]

# Explanatory Material for Business Results for the Six Months Ended September 30, 2014

November 19, 2014

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 | Six months ended<br>September 30, 2013 | Six months ended<br>September 30, 2014 | Change       | Change ratio  |
|-------------------------------------------------------------------|-------|----------------------------------------|----------------------------------------|--------------|---------------|
| <b>Ordinary income and expenses:</b>                              |       |                                        |                                        |              |               |
| <b>Underwriting income:</b>                                       | 1     | <b>17,339</b>                          | <b>21,257</b>                          | <b>3,917</b> | <b>22.6 %</b> |
| Net premiums written                                              | 2     | 14,241                                 | 14,863                                 | 621          | 4.4           |
| Deposit premiums from policyholders                               | 3     | 775                                    | 738                                    | (37)         | (4.8)         |
| Life insurance premiums                                           | 4     | 1,827                                  | 4,968                                  | 3,141        | 171.9         |
| Reversal of outstanding claims                                    | 5     | 196                                    | 342                                    | 146          | 74.4          |
| <b>Underwriting expenses:</b>                                     | 6     | <b>15,856</b>                          | <b>19,842</b>                          | <b>3,986</b> | <b>25.1</b>   |
| Net claims paid                                                   | 7     | 8,215                                  | 8,274                                  | 58           | 0.7           |
| Loss adjustment expenses                                          | 8     | 694                                    | 746                                    | 52           | 7.5           |
| Commissions and collection expenses                               | 9     | 2,740                                  | 2,994                                  | 253          | 9.3           |
| Maturity refunds to policyholders                                 | 10    | 1,579                                  | 1,458                                  | (121)        | (7.7)         |
| Life insurance claims                                             | 11    | 1,758                                  | 1,600                                  | (157)        | (9.0)         |
| Provision for underwriting reserves                               | 12    | 822                                    | 4,742                                  | 3,920        | 476.7         |
| <b>Investment income:</b>                                         | 13    | <b>3,314</b>                           | <b>3,083</b>                           | <b>(231)</b> | <b>(7.0)</b>  |
| Interest and dividends income                                     | 14    | 1,087                                  | 1,222                                  | 134          | 12.4          |
| Investment gains on money trusts                                  | 15    | 47                                     | 426                                    | 379          | 804.3         |
| Gains on sales of securities                                      | 16    | 404                                    | 212                                    | (192)        | (47.6)        |
| Investment gains on separate accounts                             | 17    | 1,978                                  | 1,454                                  | (523)        | (26.5)        |
| <b>Investment expenses:</b>                                       | 18    | <b>472</b>                             | <b>137</b>                             | <b>(335)</b> | <b>(70.9)</b> |
| Investment losses on money trusts                                 | 19    | 360                                    | 3                                      | (357)        | (98.9)        |
| Losses on sales of securities                                     | 20    | 20                                     | 44                                     | 24           | 118.1         |
| Impairment losses on securities                                   | 21    | 39                                     | 39                                     | 0            | 0.2           |
| <b>Operating expenses and general and administrative expenses</b> | 22    | <b>2,599</b>                           | <b>2,803</b>                           | <b>204</b>   | <b>7.9</b>    |
| <b>Other ordinary income and expenses:</b>                        | 23    | <b>(95)</b>                            | <b>23</b>                              | <b>118</b>   | <b>-</b>      |
| Gains/(losses) on equity method investments                       | 24    | (22)                                   | 8                                      | 31           | -             |
| <b>Ordinary profit/(loss)</b>                                     | 25    | <b>1,630</b>                           | <b>1,580</b>                           | <b>(50)</b>  | <b>(3.1)</b>  |
| <b>Extraordinary income and losses:</b>                           |       |                                        |                                        |              |               |
| <b>Extraordinary income</b>                                       | 26    | <b>6</b>                               | <b>30</b>                              | <b>23</b>    | <b>346.1</b>  |
| <b>Extraordinary losses</b>                                       | 27    | <b>52</b>                              | <b>61</b>                              | <b>9</b>     | <b>17.4</b>   |
| <b>Extraordinary income/(losses)</b>                              | 28    | <b>(45)</b>                            | <b>(31)</b>                            | <b>14</b>    | <b>-</b>      |
| <b>Income/(loss) before income taxes and minority interests</b>   | 29    | <b>1,585</b>                           | <b>1,548</b>                           | <b>(36)</b>  | <b>(2.3)</b>  |
| <b>Income taxes - current</b>                                     | 30    | <b>141</b>                             | <b>133</b>                             | <b>(7)</b>   | <b>(5.6)</b>  |
| <b>Income taxes - deferred</b>                                    | 31    | <b>334</b>                             | <b>307</b>                             | <b>(27)</b>  | <b>(8.1)</b>  |
| <b>Total income taxes</b>                                         | 32    | <b>475</b>                             | <b>440</b>                             | <b>(34)</b>  | <b>(7.4)</b>  |
| <b>Income/(loss) before minority interests</b>                    | 33    | <b>1,109</b>                           | <b>1,108</b>                           | <b>(1)</b>   | <b>(0.1)</b>  |
| <b>Minority interests</b>                                         | 34    | <b>14</b>                              | <b>12</b>                              | <b>(2)</b>   | <b>(14.7)</b> |
| <b>Net income/(loss)</b>                                          | 35    | <b>1,095</b>                           | <b>1,096</b>                           | <b>1</b>     | <b>0.1</b>    |

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

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

(Yen in 100 millions)

|                                                 | Items | Six months ended<br>September 30, 2013 | Six months ended<br>September 30, 2014 | Change | Change ratio |
|-------------------------------------------------|-------|----------------------------------------|----------------------------------------|--------|--------------|
| Net premiums written <small>Note 1</small>      | 1     | 14,241                                 | 14,863                                 | 621    | 4.4 %        |
| Mitsui Sumitomo Insurance <small>Note 1</small> | 2     | 7,007                                  | 7,291                                  | 284    | 4.1          |
| Aioi Nissay Dowa Insurance                      | 3     | 5,775                                  | 5,836                                  | 61     | 1.1          |
| Mitsui Direct General Insurance                 | 4     | 175                                    | 171                                    | (3)    | (2.1)        |
| Overseas insurance subsidiaries                 | 5     | 1,265                                  | 1,534                                  | 269    | 21.3         |
| Ordinary profit/(loss)                          | 6     | 1,630                                  | 1,580                                  | (50)   | (3.1)        |
| Mitsui Sumitomo Insurance                       | 7     | 873                                    | 712                                    | (161)  | (18.4)       |
| Aioi Nissay Dowa Insurance                      | 8     | 400                                    | 573                                    | 172    | 43.1         |
| Net income/(loss)                               | 9     | 1,095                                  | 1,096                                  | 1      | 0.1          |
| Mitsui Sumitomo Insurance                       | 10    | 603                                    | 505                                    | (98)   | (16.3)       |
| Aioi Nissay Dowa Insurance                      | 11    | 283                                    | 465                                    | 182    | 64.3         |
| Mitsui Direct General Insurance                 | 12    | 5                                      | (5)                                    | (11)   | (198.2)      |
| Mitsui Sumitomo Aioi Life Insurance             | 13    | 32                                     | 34                                     | 1      | 4.3          |
| Mitsui Sumitomo Primary Life Insurance          | 14    | 145                                    | 81                                     | (63)   | (43.6)       |
| Overseas insurance subsidiaries                 | 15    | 170                                    | 170                                    | (0)    | (0.3)        |
| Others                                          | 16    | 9                                      | 16                                     | 6      | 71.8         |
| Consolidation adjustments and holding company   | 17    | (155)                                  | (171)                                  | (16)   | -            |

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

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

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

(Yen in 100 millions)

|                      | Items | Six months ended<br>September 30, 2013 | Six months ended<br>September 30, 2014 | Change | Change ratio |
|----------------------|-------|----------------------------------------|----------------------------------------|--------|--------------|
| Net premiums written | 1     | 1,265                                  | 1,534                                  | 269    | 21.3 %       |
| Asia                 | 2     | 604                                    | 740                                    | 136    | 22.5         |
| Europe               | 3     | 353                                    | 447                                    | 93     | 26.5         |
| Americas             | 4     | 183                                    | 210                                    | 26     | 14.3         |
| Reinsurance          | 5     | 123                                    | 137                                    | 13     | 11.1         |
| Net income/(loss)    | 6     | 170                                    | 170                                    | (0)    | (0.3)        |
| Asia                 | 7     | 72                                     | 96                                     | 24     | 33.7         |
| Europe               | 8     | 34                                     | 25                                     | (8)    | (24.7)       |
| Americas             | 9     | 9                                      | 5                                      | (4)    | (40.9)       |
| Reinsurance          | 10    | 54                                     | 41                                     | (12)   | (22.6)       |

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

(Yen in 100 millions)

(Per 100 million)

|                                              | Items                                     | Six months ended<br>September 30, 2013 | Six months ended<br>September 30, 2014 | Change  | Change ratio | Year ended<br>March 31, 2014 |         |
|----------------------------------------------|-------------------------------------------|----------------------------------------|----------------------------------------|---------|--------------|------------------------------|---------|
| Amount of new policies                       |                                           |                                        |                                        |         |              |                              |         |
|                                              | Mitsui Sumitomo Aioi<br>Life Insurance    | 1                                      | 13,738                                 | 12,675  | (1,063)      | (7.7) %                      | 26,722  |
|                                              | Mitsui Sumitomo Primary<br>Life Insurance | 2                                      | 3,022                                  | 4,846   | 1,823        | 60.3 %                       | 8,005   |
| Amount of policies in force                  |                                           |                                        |                                        |         |              |                              |         |
|                                              | Mitsui Sumitomo Aioi<br>Life Insurance    | 3                                      | 206,182                                | 215,341 | 4,290        | 2.0 %                        | 211,050 |
|                                              | Mitsui Sumitomo Primary<br>Life Insurance | 4                                      | 36,634                                 | 43,660  | 3,416        | 8.5 %                        | 40,243  |
| Annualized premiums for<br>policies in force |                                           |                                        |                                        |         |              |                              |         |
|                                              | Mitsui Sumitomo Aioi<br>Life Insurance    | 5                                      | 3,273                                  | 3,460   | 101          | 3.0 %                        | 3,358   |
|                                              | Mitsui Sumitomo Primary<br>Life Insurance | 6                                      | 4,184                                  | 4,694   | 151          | 3.3 %                        | 4,543   |

(Notes) 1. The figures in the above table represent the total sum of individual insurance and individual annuities.

2. “Change” and “Change ratio” make comparisons with the six months ended September 30, 2013 for items 1 and 2 and the year ended March 31, 2014 for items 3 to 6.

## 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                                                                       | Six months ended<br>September 30, 2013 | Six months ended<br>September 30, 2014 | Change | Change ratio |
|-----|-----------------------------------------------------------------------------|----------------------------------------|----------------------------------------|--------|--------------|
|     |                                                                             |                                        |                                        |        | %            |
| (+) | Net premiums written                                                        | 7,007                                  | 7,291                                  | 284    | 4.1          |
| (-) | Net claims paid                                                             | 4,086                                  | 4,059                                  | (26)   | (0.7)        |
| (-) | Loss adjustment expenses                                                    | 391                                    | 421                                    | 29     | 7.5          |
| (-) | Commissions and collection expenses                                         | 1,213                                  | 1,280                                  | 66     | 5.5          |
| (-) | Operating expenses and general and administrative expenses for underwriting | 969                                    | 1,015                                  | 45     | 4.7          |
|     | Underwriting profit/(loss) before movements in reserves                     | 345                                    | 514                                    | 169    | 49.2         |
| (-) | Movement in outstanding claims                                              | (183)                                  | (166)                                  | 16     | -            |
| (-) | Movement in ordinary underwriting reserves                                  | 258                                    | 368                                    | 110    | 42.7         |
| (-) | Movement in catastrophe reserve                                             | (32)                                   | 91                                     | 123    | -            |
| (+) | Other                                                                       | 8                                      | 63                                     | 55     | 652.4        |
|     | Underwriting profit/(loss)                                                  | 310                                    | 285                                    | (25)   | (8.1)        |
| (+) | Interest and dividends income                                               | 601                                    | 565                                    | (36)   | (6.0)        |
| (-) | Transfer of investment income on deposit premiums from policyholders        | 207                                    | 197                                    | (9)    | (4.8)        |
|     | Net interest and dividends income (item 12 - item 13)                       | 394                                    | 368                                    | (26)   | (6.6)        |
| (+) | Gains/(losses) on sales of securities                                       | 263                                    | 95                                     | (167)  | (63.6)       |
| (-) | Impairment losses on securities                                             | 10                                     | 36                                     | 25     | 239.0        |
| (+) | Other                                                                       | 17                                     | 16                                     | (1)    | (8.1)        |
|     | Investment profit/(loss)                                                    | 664                                    | 443                                    | (221)  | (33.2)       |
| (+) | Other ordinary profit/(loss)                                                | (101)                                  | (16)                                   | 85     | -            |
|     | Ordinary profit/(loss)                                                      | 873                                    | 712                                    | (161)  | (18.4)       |
| (+) | Extraordinary income/(losses):                                              | (28)                                   | (2)                                    | 26     | -            |
|     | Gains/(losses) on reserve for price fluctuation                             | (12)                                   | (13)                                   | (0)    | -            |
|     | Income/(loss) before income taxes                                           | 845                                    | 710                                    | (134)  | (15.9)       |
| (-) | Income taxes                                                                | 241                                    | 205                                    | (35)   | (14.9)       |
|     | Net income/(loss)                                                           | 603                                    | 505                                    | (98)   | (16.3)       |

|        |                   |    |        |        |         |  |
|--------|-------------------|----|--------|--------|---------|--|
| Ratios | Net loss ratio    | 26 | 63.9 % | 61.5 % | (2.4) % |  |
|        | Net expense ratio | 27 | 31.2 % | 31.5 % | 0.3 %   |  |
|        | Combined ratio    | 28 | 95.1 % | 93.0 % | (2.1) % |  |

|                                   |    |       |       |      |       |
|-----------------------------------|----|-------|-------|------|-------|
| Incurred losses (item 2 + item 7) | 29 | 3,903 | 3,893 | (10) | (0.3) |
|-----------------------------------|----|-------|-------|------|-------|

- (Notes) 1. Net loss ratio = (net claims paid + loss adjustment expenses) / net premiums written x 100  
2. Net expense ratio = (commissions and collection expenses + operating expenses and general and administrative expenses for underwriting) / net premiums written x 100  
3. Combined ratio = net loss ratio + net expense ratio

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

|        |                      |    |        |        |         |     |
|--------|----------------------|----|--------|--------|---------|-----|
|        | Net premiums written | 30 | 6,157  | 6,381  | 223     | 3.6 |
| Ratios | Net loss ratio       | 31 | 60.7 % | 58.6 % | (2.1) % |     |
|        | Net expense ratio    | 32 | 33.0 % | 33.6 % | 0.6 %   |     |
|        | Combined ratio       | 33 | 93.7 % | 92.2 % | (1.5) % |     |

\* 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) |                |                                     |                |
|----------------------|-------------------------------------|----------------|-------------------------------------|----------------|-------------------------------------------------------------------------|----------------|-------------------------------------|----------------|
|                      | Six months ended September 30, 2013 |                | Six months ended September 30, 2014 |                | Six months ended September 30, 2013                                     |                | Six months ended September 30, 2014 |                |
|                      | Amount                              | Change ratio % | Amount                              | Change ratio % | Amount                                                                  | Change ratio % | Amount                              | Change ratio % |
| Fire and allied      | 1,053                               | 14.6           | 1,069                               | 1.5            | 1,346                                                                   | 8.6            | 1,391                               | 3.4            |
| Marine               | 289                                 | 6.9            | 319                                 | 10.2           | 392                                                                     | 10.6           | 426                                 | 8.6            |
| Personal accident    | 759                                 | 1.0            | 783                                 | 3.2            | 797                                                                     | 1.3            | 821                                 | 3.0            |
| Voluntary automobile | 3,047                               | 2.9            | 3,139                               | 3.0            | 3,057                                                                   | 2.9            | 3,144                               | 2.8            |
| CALI                 | 845                                 | 6.4            | 906                                 | 7.3            | 851                                                                     | 11.5           | 837                                 | (1.6)          |
| Other                | 1,011                               | 3.4            | 1,072                               | 6.0            | 1,101                                                                   | 6.7            | 1,195                               | 8.6            |
| Total                | 7,007                               | 5.0            | 7,291                               | 4.1            | 7,547                                                                   | 5.6            | 7,817                               | 3.6            |

## (3) Net claims paid

(Yen in 100 millions)

|                      | Six months ended September 30, 2013 |                |                  | Six months ended September 30, 2014 |                |                  |          |
|----------------------|-------------------------------------|----------------|------------------|-------------------------------------|----------------|------------------|----------|
|                      | Amount                              | Change ratio % | Net loss ratio % | Amount                              | Change ratio % | Net loss ratio % | Change % |
| Fire and allied      | 719                                 | (29.7)         | 70.5             | 823                                 | 14.4           | 79.2             | 8.7      |
| Marine               | 173                                 | 32.8           | 63.0             | 148                                 | (14.3)         | 49.4             | (13.6)   |
| Personal accident    | 398                                 | 5.3            | 58.5             | 393                                 | (1.1)          | 55.9             | (2.6)    |
| Voluntary automobile | 1,696                               | (5.1)          | 62.9             | 1,607                               | (5.3)          | 59.2             | (3.7)    |
| CALI                 | 672                                 | (2.0)          | 87.4             | 674                                 | 0.3            | 81.6             | (5.8)    |
| Other                | 425                                 | (3.8)          | 44.8             | 411                                 | (3.4)          | 41.0             | (3.8)    |
| Total                | 4,086                               | (8.2)          | 63.9             | 4,059                               | (0.7)          | 61.5             | (2.4)    |

(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)

|                      | Six months ended September 30, 2013 |                 |                                | Six months ended September 30, 2014 |                 |                                |
|----------------------|-------------------------------------|-----------------|--------------------------------|-------------------------------------|-----------------|--------------------------------|
|                      | Incurred losses                     | Net claims paid | Movement in outstanding claims | Incurred losses                     | Net claims paid | Movement in outstanding claims |
| Fire and allied      | 114                                 | 18              | 95                             | 72                                  | 26              | 45                             |
| Voluntary automobile | 15                                  | 8               | 7                              | 11                                  | 8               | 3                              |
| Other                | 9                                   | 1               | 8                              | 12                                  | 1               | 10                             |
| Total                | 139                                 | 28              | 110                            | 96                                  | 36              | 60                             |

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

Net claims paid caused by heavy snowfall disaster in February, 2014 is ¥34.9 billion (¥31.9 billion in Fire and allied, ¥2.0 billion in Voluntary automobile and ¥0.9 billion in Other) for the six months ended September 30, 2014.

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

(Yen in 100 millions)

|                 | Six months ended September 30, 2013 |                 |                                | Six months ended September 30, 2014 |                 |                                |
|-----------------|-------------------------------------|-----------------|--------------------------------|-------------------------------------|-----------------|--------------------------------|
|                 | Incurred losses                     | Net claims paid | Movement in outstanding claims | Incurred losses                     | Net claims paid | Movement in outstanding claims |
| Incurred losses | (139)                               | 216             | (355)                          | 0                                   | 28              | (28)                           |

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

## (4) Expenses

&lt;Company expenses&gt;

(Yen in 100 millions)

|                         | Items | Six months ended September 30, 2013 |        |                | Six months ended September 30, 2014 |        |                |
|-------------------------|-------|-------------------------------------|--------|----------------|-------------------------------------|--------|----------------|
|                         |       | Amount                              | Change | Change ratio % | Amount                              | Change | Change ratio % |
| Personnel expenses      | 1     | 790                                 | (1)    | (0.2)          | 844                                 | 53     | 6.8            |
| Non-personnel expenses  | 2     | 545                                 | 8      | 1.7            | 575                                 | 29     | 5.5            |
| Taxes and contributions | 3     | 71                                  | 6      | 10.7           | 62                                  | (8)    | (12.3)         |
| Total                   | 4     | 1,407                               | 13     | 1.0            | 1,482                               | 75     | 5.3            |

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

&lt;Expenses for underwriting&gt;

(Yen in 100 millions)

|                                                            | Items | Six months ended September 30, 2013 |         |                | Six months ended September 30, 2014 |        |                |
|------------------------------------------------------------|-------|-------------------------------------|---------|----------------|-------------------------------------|--------|----------------|
|                                                            |       | Amount                              | Change  | Change ratio % | Amount                              | Change | Change ratio % |
| Operating expenses and general and administrative expenses | 5     | 969                                 | 3       | 0.4            | 1,015                               | 45     | 4.7            |
| Commissions and collection expenses                        | 6     | 1,213                               | 56      | 4.9            | 1,280                               | 66     | 5.5            |
| Total                                                      | 7     | 2,183                               | 60      | 2.8            | 2,295                               | 111    | 5.1            |
| Net expense ratio                                          | 8     | 31.2 %                              | (0.6) % |                | 31.5 %                              | 0.3 %  |                |

**(5) Outstanding claims**

(Yen in 100 millions)

|                      | September 30, 2013 |          | September 30, 2014 |          |
|----------------------|--------------------|----------|--------------------|----------|
|                      | Balance            |          | Balance            |          |
|                      |                    | Movement |                    | Movement |
| Fire and allied      | 1,287              | (267)    | 1,096              | (252)    |
| Marine               | 276                | 4        | 269                | (34)     |
| Personal accident    | 565                | 5        | 546                | (12)     |
| Voluntary automobile | 2,496              | 9        | 2,652              | 27       |
| CALI                 | 514                | 7        | 513                | (4)      |
| Other                | 1,114              | 57       | 1,277              | 109      |
| Total                | 6,255              | (183)    | 6,356              | (166)    |

**(6) Incurred losses and earned-incurred loss ratio**

(Yen in 100 millions)

|                      | Six months ended<br>September 30, 2013 |                               | Six months ended<br>September 30, 2014 |        |                               |        |
|----------------------|----------------------------------------|-------------------------------|----------------------------------------|--------|-------------------------------|--------|
|                      | Incurred losses                        | Earned-incurred<br>loss ratio | Incurred losses                        | Change | Earned-incurred<br>loss ratio | Change |
|                      |                                        | %                             |                                        |        | %                             | %      |
| Fire and allied      | 475                                    | 49.5                          | 594                                    | 119    | 60.1                          | 10.6   |
| Marine               | 186                                    | 64.9                          | 122                                    | (63)   | 40.8                          | (24.1) |
| Personal accident    | 450                                    | 65.1                          | 426                                    | (23)   | 59.5                          | (5.6)  |
| Voluntary automobile | 1,926                                  | 64.1                          | 1,884                                  | (41)   | 60.6                          | (3.5)  |
| Other                | 510                                    | 57.3                          | 549                                    | 38     | 58.5                          | 1.2    |
| Total                | 3,548                                  | 60.8                          | 3,578                                  | 29     | 59.1                          | (1.7)  |

(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)

|                      |          | September 30, 2014             |                                      |                                                          |                        |                     |
|----------------------|----------|--------------------------------|--------------------------------------|----------------------------------------------------------|------------------------|---------------------|
|                      |          | Total underwriting<br>reserves | Ordinary<br>underwriting<br>reserves | Reserve for refunds<br>and dividends to<br>policyholders | Catastrophe<br>reserve | Contingency reserve |
| Fire and allied      | Balance  | 8,829                          | 5,880                                | 2,023                                                    | 924                    | 0                   |
|                      | Movement | (19)                           | 97                                   | (37)                                                     | (80)                   | 0                   |
| Marine               | Balance  | 936                            | 227                                  | -                                                        | 708                    | -                   |
|                      | Movement | 18                             | 3                                    | -                                                        | 14                     | -                   |
| Personal accident    | Balance  | 14,261                         | 1,184                                | 12,432                                                   | 642                    | 1                   |
|                      | Movement | (174)                          | 67                                   | (263)                                                    | 21                     | 0                   |
| Voluntary automobile | Balance  | 2,277                          | 1,916                                | 87                                                       | 273                    | 0                   |
|                      | Movement | 99                             | 28                                   | (7)                                                      | 78                     | 0                   |
| CALI                 | Balance  | 2,160                          | 2,160                                | -                                                        | -                      | -                   |
|                      | Movement | 52                             | 52                                   | -                                                        | -                      | -                   |
| Other                | Balance  | 4,614                          | 2,469                                | 618                                                      | 1,527                  | 0                   |
|                      | Movement | 170                            | 118                                  | (5)                                                      | 57                     | 0                   |
| Total                | Balance  | 33,079                         | 13,838                               | 15,161                                                   | 4,076                  | 2                   |
|                      | Movement | 146                            | 368                                  | (314)                                                    | 91                     | 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 |               | September 30, 2014 |           |         |               |
|----------------------|----------------|---------------|--------------------|-----------|---------|---------------|
|                      | Balance        | Reserve ratio | Reversal           | Provision | Balance | Reserve ratio |
|                      |                | %             |                    |           |         | %             |
| Fire and allied      | 1,005          | 47.5          | 176                | 96        | 924     | 43.4          |
| Marine               | 693            | 122.3         | -                  | 14        | 708     | 111.0         |
| Personal accident    | 621            | 43.0          | 3                  | 24        | 642     | 41.0          |
| Voluntary automobile | 194            | 3.2           | 22                 | 100       | 273     | 4.4           |
| Other                | 1,470          | 77.8          | 3                  | 60        | 1,527   | 71.2          |
| Total                | 3,985          | 32.9          | 205                | 296       | 4,076   | 31.9          |

(Note) Reserve ratio = catastrophe reserve / net premiums written (excluding premiums of residential earthquake insurance and CALI and Good Result Return premiums of the automobile insurance product "ModoRich") x 100  
The calculation for the reserve ratio as of September 30, 2014 has been made using twice the net premiums written for the six months ended September 30, 2014 as a denominator.

**(9) Investment assets**

(Yen in 100 millions)

|                            | March 31, 2014 | September 30, 2014 |        |
|----------------------------|----------------|--------------------|--------|
|                            |                |                    | Change |
| Cash, deposits and savings | 3,387          | 3,809              | 422    |
| Investments in securities: | 45,026         | 47,576             | 2,550  |
| Domestic bonds             | 18,734         | 19,449             | 714    |
| Stock                      | 18,097         | 19,587             | 1,490  |
| Foreign securities         | 8,033          | 8,346              | 312    |
| Other securities           | 160            | 193                | 32     |
| Loans                      | 5,382          | 5,144              | (237)  |
| Land and buildings         | 2,239          | 2,211              | (27)   |
| Total                      | 56,035         | 58,742             | 2,707  |

(Reference)

|                             |        |        |       |
|-----------------------------|--------|--------|-------|
| Long-term investment assets | 15,356 | 15,051 | (305) |
|-----------------------------|--------|--------|-------|

**(Reference) Breakdown of domestic bonds**

(Yen in 100 millions)

|                                      | March 31, 2014 | September 30, 2014 |        |
|--------------------------------------|----------------|--------------------|--------|
|                                      |                |                    | Change |
| Government bonds                     | 11,883         | 13,125             | 1,241  |
| Municipal bonds                      | 971            | 963                | (8)    |
| Corporate bonds:                     | 5,879          | 5,360              | (518)  |
| Government agency bonds              | 1,689          | 1,529              | (160)  |
| Specific financial institution bonds | -              | -                  | -      |
| Other corporate bonds                | 4,189          | 3,830              | (358)  |
| Total                                | 18,734         | 19,449             | 714    |

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

(Yen in 100 millions)

|                            | Six months ended<br>September 30, 2013 | Six months ended<br>September 30, 2014 |        |
|----------------------------|----------------------------------------|----------------------------------------|--------|
|                            |                                        |                                        | Change |
| Investments in securities: | 510                                    | 489                                    | (21)   |
| Domestic bonds             | 125                                    | 114                                    | (11)   |
| Stock                      | 184                                    | 230                                    | 46     |
| Foreign securities         | 176                                    | 133                                    | (43)   |
| Other securities           | 24                                     | 10                                     | (14)   |
| Loans                      | 43                                     | 39                                     | (4)    |
| Land and buildings         | 32                                     | 26                                     | (5)    |
| Other                      | 14                                     | 11                                     | (3)    |
| Total                      | 601                                    | 565                                    | (36)   |

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

(Yen in 100 millions)

| September 30, 2014 | Cost   | Fair value | Difference | Change from<br>March 31, 2014 |
|--------------------|--------|------------|------------|-------------------------------|
| Domestic bonds     | 18,447 | 19,449     | 1,002      | 146                           |
| Stock              | 6,827  | 18,968     | 12,141     | 1,559                         |
| Foreign securities | 3,342  | 3,573      | 230        | 51                            |
| Other securities   | 1,069  | 1,115      | 46         | 2                             |
| Total              | 29,685 | 43,106     | 13,420     | 1,760                         |

(Yen in 100 millions)

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

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

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

**Gains and losses on sales of securities**

(Yen in 100 millions)

|                    | Six months ended<br>September 30, 2013<br>Gains/(losses) | Six months ended<br>September 30, 2014<br>Gains/(losses) | Gains | Losses |
|--------------------|----------------------------------------------------------|----------------------------------------------------------|-------|--------|
| Domestic bonds     | 28                                                       | 2                                                        | 2     | 0      |
| Stock              | 229                                                      | 82                                                       | 82    | 0      |
| Foreign securities | 5                                                        | 11                                                       | 11    | 0      |
| Other securities   | (0)                                                      | -                                                        | -     | -      |
| Total              | 263                                                      | 95                                                       | 96    | 0      |

**Impairment losses on securities**

(Yen in 100 millions)

|                    | Six months ended<br>September 30, 2013 | Six months ended<br>September 30, 2014 | Change |
|--------------------|----------------------------------------|----------------------------------------|--------|
| Domestic bonds     | -                                      | -                                      | -      |
| Stock              | 6                                      | 0                                      | (6)    |
| Foreign securities | 4                                      | 36                                     | 32     |
| Other securities   | -                                      | 0                                      | 0      |
| Total              | 10                                     | 36                                     | 25     |

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

#### (1) Business Performance

(Yen in 100 millions)

|                                                                                 | Items | Six months ended<br>September 30, 2013 | Six months ended<br>September 30, 2014 | Change | Change ratio<br>% |
|---------------------------------------------------------------------------------|-------|----------------------------------------|----------------------------------------|--------|-------------------|
| (+) Net premiums written                                                        | 1     | 5,775                                  | 5,836                                  | 61     | 1.1               |
| (-) Net claims paid                                                             | 2     | 3,375                                  | 3,428                                  | 53     | 1.6               |
| (-) Loss adjustment expenses                                                    | 3     | 254                                    | 269                                    | 15     | 6.2               |
| (-) Commissions and collection expenses                                         | 4     | 1,031                                  | 1,083                                  | 51     | 5.0               |
| (-) Operating expenses and general and administrative expenses for underwriting | 5     | 918                                    | 954                                    | 36     | 3.9               |
| Underwriting profit/(loss) before movements in reserves                         | 6     | 196                                    | 101                                    | (95)   | (48.5)            |
| (-) Movement in outstanding claims                                              | 7     | 94                                     | (185)                                  | (279)  | (297.5)           |
| (-) Movement in ordinary underwriting reserves                                  | 8     | 48                                     | 65                                     | 16     | 33.5              |
| (-) Movement in catastrophe reserve                                             | 9     | (35)                                   | (123)                                  | (87)   | -                 |
| (+) Other                                                                       | 10    | 19                                     | 47                                     | 28     | 144.8             |
| Underwriting profit/(loss)                                                      | 11    | 108                                    | 392                                    | 284    | 262.9             |
| (+) Interest and dividends income                                               | 12    | 346                                    | 288                                    | (57)   | (16.7)            |
| (-) Transfer of investment income on deposit premiums from policyholders        | 13    | 97                                     | 93                                     | (4)    | (4.3)             |
| Net interest and dividends income (item 12 - item 13)                           | 14    | 249                                    | 195                                    | (53)   | (21.5)            |
| (+) Gains/(losses) on sales of securities                                       | 15    | 98                                     | 20                                     | (77)   | (78.8)            |
| (-) Impairment losses on securities                                             | 16    | 31                                     | 8                                      | (22)   | (71.9)            |
| (+) Other                                                                       | 17    | (40)                                   | (38)                                   | 1      | -                 |
| Investment profit/(loss)                                                        | 18    | 276                                    | 169                                    | (106)  | (38.7)            |
| (+) Other ordinary profit/(loss)                                                | 19    | 16                                     | 11                                     | (4)    | (29.1)            |
| Ordinary profit/(loss)                                                          | 20    | 400                                    | 573                                    | 172    | 43.1              |
| (+) Extraordinary income/(losses):                                              | 21    | (6)                                    | 76                                     | 83     | -                 |
| Gains/(losses) on reserve for price fluctuation                                 | 22    | (8)                                    | (7)                                    | 0      | -                 |
| Income/(loss) before income taxes                                               | 23    | 393                                    | 649                                    | 255    | 65.0              |
| (-) Income taxes                                                                | 24    | 110                                    | 184                                    | 73     | 66.7              |
| Net income/(loss)                                                               | 25    | 283                                    | 465                                    | 182    | 64.3              |

|        |                   |    |        |        |       |  |
|--------|-------------------|----|--------|--------|-------|--|
| Ratios | Net loss ratio    | 26 | 62.8 % | 63.4 % | 0.6 % |  |
|        | Net expense ratio | 27 | 33.8 % | 34.9 % | 1.1 % |  |
|        | Combined ratio    | 28 | 96.6 % | 98.3 % | 1.7 % |  |

|                                   |    |       |       |       |       |
|-----------------------------------|----|-------|-------|-------|-------|
| Incurred losses (item 2 + item 7) | 29 | 3,469 | 3,242 | (226) | (6.5) |
|-----------------------------------|----|-------|-------|-------|-------|

- (Notes) 1. Net loss ratio = (net claims paid + loss adjustment expenses) / net premiums written x 100  
2. Net expense ratio = (commissions and collection expenses + operating expenses and general and administrative expenses for underwriting) / net premiums written x 100  
3. Combined ratio = net loss ratio + net expense ratio  
4. Extraordinary income/(loss) for the six months ended September 30, 2014 includes an income of ¥10.0 billion received in return for transfer of new policies of the third sector long term contracts to Mitsui Sumitomo Aioi Life Insurance Co., Ltd.

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

|        |                      |    |        |        |       |     |
|--------|----------------------|----|--------|--------|-------|-----|
|        | Net premiums written | 30 | 4,967  | 4,986  | 19    | 0.4 |
| Ratios | Net loss ratio       | 31 | 59.3 % | 60.6 % | 1.3 % |     |
|        | Net expense ratio    | 32 | 35.6 % | 37.2 % | 1.6 % |     |
|        | Combined ratio       | 33 | 94.9 % | 97.8 % | 2.9 % |     |

**(2) Premiums written**

(Yen in 100 millions)

|                      | Net premiums written                |                |                                     |                | Direct premiums written (excluding deposit premiums from policyholders) |                |                                     |                |
|----------------------|-------------------------------------|----------------|-------------------------------------|----------------|-------------------------------------------------------------------------|----------------|-------------------------------------|----------------|
|                      | Six months ended September 30, 2013 |                | Six months ended September 30, 2014 |                | Six months ended September 30, 2013                                     |                | Six months ended September 30, 2014 |                |
|                      | Amount                              | Change ratio % | Amount                              | Change ratio % | Amount                                                                  | Change ratio % | Amount                              | Change ratio % |
| Fire and allied      | 672                                 | 11.3           | 661                                 | (1.6)          | 980                                                                     | 10.4           | 996                                 | 1.7            |
| Marine               | 56                                  | 18.0           | 51                                  | (9.0)          | 49                                                                      | 3.5            | 37                                  | (23.7)         |
| Personal accident    | 381                                 | 0.8            | 368                                 | (3.5)          | 398                                                                     | 0.7            | 382                                 | (3.9)          |
| Voluntary automobile | 3,318                               | 2.5            | 3,337                               | 0.6            | 3,231                                                                   | 2.1            | 3,238                               | 0.2            |
| CALI                 | 804                                 | 4.0            | 847                                 | 5.3            | 910                                                                     | 9.9            | 896                                 | (1.6)          |
| Other                | 541                                 | 4.4            | 569                                 | 5.2            | 654                                                                     | (3.7)          | 655                                 | 0.1            |
| Total                | 5,775                               | 3.9            | 5,836                               | 1.1            | 6,224                                                                   | 3.7            | 6,206                               | (0.3)          |

**(3) Net claims paid**

(Yen in 100 millions)

|                      | Six months ended September 30, 2013 |                |                  | Six months ended September 30, 2014 |                |                  |          |
|----------------------|-------------------------------------|----------------|------------------|-------------------------------------|----------------|------------------|----------|
|                      | Amount                              | Change ratio % | Net loss ratio % | Amount                              | Change ratio % | Net loss ratio % | Change % |
| Fire and allied      | 379                                 | (29.2)         | 58.6             | 532                                 | 40.5           | 83.3             | 24.7     |
| Marine               | 33                                  | 41.3           | 61.0             | 24                                  | (26.5)         | 51.0             | (10.0)   |
| Personal accident    | 170                                 | (4.3)          | 47.6             | 162                                 | (4.6)          | 48.0             | 0.4      |
| Voluntary automobile | 1,899                               | (3.5)          | 62.0             | 1,816                               | (4.4)          | 59.3             | (2.7)    |
| CALI                 | 629                                 | (2.7)          | 84.7             | 622                                 | (1.2)          | 79.6             | (5.1)    |
| Other                | 263                                 | (13.7)         | 51.5             | 269                                 | 2.6            | 51.0             | (0.5)    |
| Total                | 3,375                               | (7.7)          | 62.8             | 3,428                               | 1.6            | 63.4             | 0.6      |

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

**(Reference) Incurred losses caused by natural disasters in Japan**

(Yen in 100 millions)

|                      | Six months ended September 30, 2013 |                 |                                | Six months ended September 30, 2014 |                 |                                |
|----------------------|-------------------------------------|-----------------|--------------------------------|-------------------------------------|-----------------|--------------------------------|
|                      | Incurred losses                     | Net claims paid | Movement in outstanding claims | Incurred losses                     | Net claims paid | Movement in outstanding claims |
| Fire and allied      | 74                                  | 14              | 60                             | 41                                  | 15              | 26                             |
| Voluntary automobile | 14                                  | 8               | 5                              | 9                                   | 6               | 2                              |
| Other                | 2                                   | 0               | 2                              | 3                                   | 0               | 3                              |
| Total                | 91                                  | 22              | 68                             | 54                                  | 22              | 32                             |

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

Net claims paid caused by heavy snowfall disaster in February, 2014 is ¥23.8 billion (¥21.1 billion in Fire and allied, ¥2.2 billion in Voluntary automobile and ¥0.4 billion in Other) for the six months ended September 30, 2014.

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

(Yen in 100 millions)

|                 | Six months ended September 30, 2013 |                 |                                | Six months ended September 30, 2014 |                 |                                |
|-----------------|-------------------------------------|-----------------|--------------------------------|-------------------------------------|-----------------|--------------------------------|
|                 | Incurred losses                     | Net claims paid | Movement in outstanding claims | Incurred losses                     | Net claims paid | Movement in outstanding claims |
| Incurred losses | (17)                                | 25              | (43)                           | (0)                                 | 0               | (1)                            |

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

**(4) Expenses**

&lt;Company expenses&gt;

(Yen in 100 millions)

|                         | Items | Six months ended September 30, 2013 |        |                | Six months ended September 30, 2014 |        |                |
|-------------------------|-------|-------------------------------------|--------|----------------|-------------------------------------|--------|----------------|
|                         |       | Amount                              | Change | Change ratio % | Amount                              | Change | Change ratio % |
| Personnel expenses      | 1     | 604                                 | 4      | 0.7            | 585                                 | (19)   | (3.3)          |
| Non-personnel expenses  | 2     | 542                                 | 25     | 5.0            | 619                                 | 77     | 14.2           |
| Taxes and contributions | 3     | 58                                  | 2      | 4.3            | 56                                  | (2)    | (3.8)          |
| Total                   | 4     | 1,205                               | 32     | 2.8            | 1,261                               | 55     | 4.6            |

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

&lt;Expenses for underwriting&gt;

(Yen in 100 millions)

|                                                            | Items | Six months ended September 30, 2013 |        |                | Six months ended September 30, 2014 |        |                |
|------------------------------------------------------------|-------|-------------------------------------|--------|----------------|-------------------------------------|--------|----------------|
|                                                            |       | Amount                              | Change | Change ratio % | Amount                              | Change | Change ratio % |
| Operating expenses and general and administrative expenses | 5     | 918                                 | 35     | 4.0            | 954                                 | 36     | 3.9            |
| Commissions and collection expenses                        | 6     | 1,031                               | 44     | 4.5            | 1,083                               | 51     | 5.0            |
| Total                                                      | 7     | 1,949                               | 80     | 4.3            | 2,037                               | 87     | 4.5            |
| Net expense ratio                                          | 8     | 33.8 %                              | 0.2 %  |                | 34.9 %                              | 1.1 %  |                |

**(5) Outstanding claims**

(Yen in 100 millions)

|                      | September 30, 2013 |          | September 30, 2014 |          |
|----------------------|--------------------|----------|--------------------|----------|
|                      | Balance            | Movement | Balance            | Movement |
| Fire and allied      | 505                | 12       | 472                | (182)    |
| Marine               | 36                 | (4)      | 38                 | 0        |
| Personal accident    | 281                | 2        | 265                | (10)     |
| Voluntary automobile | 2,848              | 33       | 2,979              | (2)      |
| CALI                 | 483                | 3        | 475                | (7)      |
| Other                | 671                | 45       | 688                | 17       |
| Total                | 4,826              | 94       | 4,918              | (185)    |

**(6) Incurred losses and earned-incurred loss ratio**

(Yen in 100 millions)

|                      | Six months ended<br>September 30, 2013 |                               | Six months ended<br>September 30, 2014 |        |                               |        |
|----------------------|----------------------------------------|-------------------------------|----------------------------------------|--------|-------------------------------|--------|
|                      | Incurred losses                        | Earned-incurred<br>loss ratio | Incurred losses                        | Change | Earned-incurred<br>loss ratio | Change |
|                      |                                        | %                             |                                        |        | %                             | %      |
| Fire and allied      | 407                                    | 57.0                          | 368                                    | (38)   | 49.9                          | (7.1)  |
| Marine               | 29                                     | 58.6                          | 26                                     | (3)    | 49.6                          | (9.0)  |
| Personal accident    | 184                                    | 54.6                          | 165                                    | (18)   | 49.5                          | (5.1)  |
| Voluntary automobile | 2,092                                  | 64.3                          | 1,975                                  | (116)  | 60.0                          | (4.3)  |
| Other                | 324                                    | 64.5                          | 308                                    | (16)   | 58.2                          | (6.3)  |
| Total                | 3,038                                  | 62.5                          | 2,845                                  | (192)  | 57.4                          | (5.1)  |

(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)

|                      |          | September 30, 2014             |                                      |                                                          |                        |                     |
|----------------------|----------|--------------------------------|--------------------------------------|----------------------------------------------------------|------------------------|---------------------|
|                      |          | Total underwriting<br>reserves | Ordinary<br>underwriting<br>reserves | Reserve for refunds<br>and dividends to<br>policyholders | Catastrophe<br>reserve | Contingency reserve |
| Fire and allied      | Balance  | 6,690                          | 4,776                                | 991                                                      | 919                    | 3                   |
|                      | Movement | (262)                          | (77)                                 | (59)                                                     | (126)                  | 0                   |
| Marine               | Balance  | 181                            | 40                                   | -                                                        | 140                    | -                   |
|                      | Movement | 1                              | (0)                                  | -                                                        | 2                      | -                   |
| Personal accident    | Balance  | 5,657                          | 709                                  | 4,342                                                    | 601                    | 4                   |
|                      | Movement | (84)                           | 34                                   | (130)                                                    | 11                     | 0                   |
| Voluntary automobile | Balance  | 2,138                          | 1,941                                | 19                                                       | 177                    | 0                   |
|                      | Movement | 7                              | 38                                   | 3                                                        | (34)                   | 0                   |
| CALI                 | Balance  | 2,242                          | 2,242                                | -                                                        | -                      | -                   |
|                      | Movement | 28                             | 28                                   | -                                                        | -                      | -                   |
| Other                | Balance  | 1,945                          | 1,246                                | 169                                                      | 529                    | 0                   |
|                      | Movement | 64                             | 41                                   | (0)                                                      | 23                     | 0                   |
| Total                | Balance  | 18,855                         | 10,956                               | 5,523                                                    | 2,368                  | 7                   |
|                      | Movement | (244)                          | 65                                   | (186)                                                    | (123)                  | 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 |               | September 30, 2014 |           |         |               |
|----------------------|----------------|---------------|--------------------|-----------|---------|---------------|
|                      | Balance        | Reserve ratio | Reversal           | Provision | Balance | Reserve ratio |
|                      |                | %             |                    |           |         | %             |
| Fire and allied      | 1,045          | 77.3          | 179                | 53        | 919     | 69.7          |
| Marine               | 138            | 123.3         | -                  | 2         | 140     | 137.6         |
| Personal accident    | 589            | 81.1          | -                  | 11        | 601     | 81.6          |
| Voluntary automobile | 212            | 3.2           | 142                | 107       | 177     | 2.7           |
| Other                | 505            | 49.7          | 5                  | 29        | 529     | 46.4          |
| Total                | 2,491          | 25.4          | 327                | 203       | 2,368   | 23.7          |

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

**(9) Investment assets**

(Yen in 100 millions)

|                            | March 31, 2014 | September 30, 2014 |        |
|----------------------------|----------------|--------------------|--------|
|                            |                |                    | Change |
| Cash, deposits and savings | 1,057          | 1,449              | 392    |
| Investments in securities: | 23,654         | 23,980             | 326    |
| Domestic bonds             | 9,696          | 9,384              | (311)  |
| Stock                      | 7,122          | 7,666              | 544    |
| Foreign securities         | 6,441          | 6,517              | 75     |
| Other securities           | 394            | 412                | 17     |
| Loans                      | 2,200          | 2,173              | (26)   |
| Land and buildings         | 1,721          | 1,683              | (37)   |
| Total                      | 28,632         | 29,287             | 654    |

(Reference)

|                             |       |       |       |
|-----------------------------|-------|-------|-------|
| Long-term investment assets | 5,692 | 5,503 | (189) |
|-----------------------------|-------|-------|-------|

**(Reference) Breakdown of domestic bonds**

(Yen in 100 millions)

|                                      | March 31, 2014 | September 30, 2014 |        |
|--------------------------------------|----------------|--------------------|--------|
|                                      |                |                    | Change |
| Government bonds                     | 6,920          | 6,809              | (111)  |
| Municipal bonds                      | 283            | 276                | (7)    |
| Corporate bonds:                     | 2,492          | 2,299              | (193)  |
| Government agency bonds              | 453            | 396                | (56)   |
| Specific financial institution bonds | 259            | 286                | 26     |
| Other corporate bonds                | 1,778          | 1,615              | (163)  |
| Total                                | 9,696          | 9,384              | (311)  |

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

(Yen in 100 millions)

|                            | Six months ended<br>September 30, 2013 | Six months ended<br>September 30, 2014 |        |
|----------------------------|----------------------------------------|----------------------------------------|--------|
|                            |                                        |                                        | Change |
| Investments in securities: | 302                                    | 246                                    | (55)   |
| Domestic bonds             | 51                                     | 52                                     | 0      |
| Stock                      | 102                                    | 90                                     | (11)   |
| Foreign securities         | 138                                    | 93                                     | (45)   |
| Other securities           | 9                                      | 10                                     | 1      |
| Loans                      | 18                                     | 16                                     | (1)    |
| Land and buildings         | 23                                     | 22                                     | (0)    |
| Other                      | 2                                      | 2                                      | 0      |
| Total                      | 346                                    | 288                                    | (57)   |

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

(Yen in 100 millions)

| September 30, 2014 | Cost   | Fair value | Difference | Change from<br>March 31, 2014 |
|--------------------|--------|------------|------------|-------------------------------|
| Domestic bonds     | 8,961  | 9,384      | 422        | 74                            |
| Stock              | 4,310  | 7,392      | 3,082      | 603                           |
| Foreign securities | 5,477  | 6,010      | 533        | 223                           |
| Other securities   | 276    | 336        | 60         | 19                            |
| Total              | 19,025 | 23,124     | 4,098      | 921                           |

(Yen in 100 millions)

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

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

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

**Gains and losses on sales of securities**

(Yen in 100 millions)

|                    | Six months ended<br>September 30, 2013<br>Gains/(losses) | Six months ended<br>September 30, 2014<br>Gains/(losses) | Gains | Losses |
|--------------------|----------------------------------------------------------|----------------------------------------------------------|-------|--------|
| Domestic bonds     | 11                                                       | 0                                                        | 0     | 0      |
| Stock              | 63                                                       | 46                                                       | 47    | 1      |
| Foreign securities | 22                                                       | (26)                                                     | 20    | 46     |
| Other securities   | -                                                        | (0)                                                      | -     | 0      |
| Total              | 98                                                       | 20                                                       | 68    | 47     |

**Impairment losses on securities**

(Yen in 100 millions)

|                    | Six months ended<br>September 30, 2013 | Six months ended<br>September 30, 2014 | Change |
|--------------------|----------------------------------------|----------------------------------------|--------|
| Domestic bonds     | -                                      | -                                      | -      |
| Stock              | 25                                     | 7                                      | (17)   |
| Foreign securities | 5                                      | 1                                      | (4)    |
| Other securities   | -                                      | -                                      | -      |
| Total              | 31                                     | 8                                      | (22)   |

## 4. Earnings Forecasts

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

(Yen in 100 millions)

|                                                                     | Items | Forecasts for year ending<br>March 31, 2015 | Change from<br>previous year |
|---------------------------------------------------------------------|-------|---------------------------------------------|------------------------------|
| Net premiums written <sup>(Note)</sup> :                            | 1     | 29,350                                      | 4.5 %                        |
| Net premiums written at overseas<br>non-life insurance subsidiaries | 2     | 2,940                                       | 22.2 %                       |
| Ordinary profit                                                     | 3     | 2,300                                       | 397                          |
| Net income                                                          | 4     | 1,200                                       | 265                          |
| Annual total of dividends per share                                 | 5     | 58.00 yen                                   | 2.00 yen                     |

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

(Yen in 100 millions)

|                                        | Items | Forecasts for year ending<br>March 31, 2015 | Change from<br>previous year |
|----------------------------------------|-------|---------------------------------------------|------------------------------|
| Net premiums written <sup>(Note)</sup> | 6     | 14,420                                      | 4.2 %                        |
| Ordinary profit                        | 7     | 1,300                                       | 280                          |
| Net income                             | 8     | 780                                         | 199                          |

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

(Yen in 100 millions)

|                      | Items | Forecasts for year ending<br>March 31, 2015 | Change from<br>previous year |
|----------------------|-------|---------------------------------------------|------------------------------|
| Net premiums written | 9     | 11,560                                      | 1.0 %                        |
| Ordinary profit      | 10    | 530                                         | 251                          |
| Net income           | 11    | 390                                         | 258                          |

(Note) The figures 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.

(Breakdown of earnings forecasts)

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

(Yen in 100 millions)

|                                                                         | Results for year ended<br>March 31, 2014 | Forecasts for year ending<br>March 31, 2015 |
|-------------------------------------------------------------------------|------------------------------------------|---------------------------------------------|
| Direct premiums written (excluding deposit premiums from policyholders) | 14,929                                   | 15,554                                      |
| Change ratio                                                            | 5.3 %                                    | 4.2 %                                       |
| Net premiums written                                                    | 13,845                                   | 14,420                                      |
| Change ratio                                                            | 5.3 %                                    | 4.2 %                                       |
| Net loss ratio                                                          | 65.1 %                                   | 63.8 %                                      |
| Net expense ratio                                                       | 32.0 %                                   | 32.1 %                                      |
| Combined ratio                                                          | 97.1 %                                   | 95.9 %                                      |
| Underwriting profit/(loss)                                              | (73)                                     | 60                                          |
| Net interest and dividends income                                       | 709                                      | 670                                         |
| Ordinary profit/(loss)                                                  | 1,019                                    | 1,300                                       |
| Net income/(loss)                                                       | 580                                      | 780                                         |

(Reference) Excluding residential earthquake insurance and CALI

|                                      | Results for year ended<br>March 31, 2014 | Forecasts for year ending<br>March 31, 2015 |
|--------------------------------------|------------------------------------------|---------------------------------------------|
| Change ratio of net premiums written | 4.7 %                                    | 4.3 %                                       |
| Net loss ratio                       | 62.2 %                                   | 61.1 %                                      |
| Net expense ratio                    | 34.1 %                                   | 34.2 %                                      |
| Combined ratio                       | 96.3 %                                   | 95.3 %                                      |

Forecasts by line of insurance for the year ending March 31, 2015

(Yen in 100 millions)

|                      | Net premiums written |              | Net loss ratio |         |
|----------------------|----------------------|--------------|----------------|---------|
|                      |                      | Change ratio |                | Change  |
| Fire and allied      | 2,217                | 4.4 %        | 72.3 %         | 1.4 %   |
| Marine               | 633                  | 11.6 %       | 50.4 %         | (9.2) % |
| Personal accident    | 1,486                | 2.7 %        | 59.1 %         | (1.3) % |
| Voluntary automobile | 6,266                | 3.0 %        | 62.2 %         | (1.3) % |
| CALI                 | 1,791                | 3.2 %        | 83.2 %         | (2.2) % |
| Other                | 2,027                | 7.2 %        | 49.6 %         | (0.6) % |
| Total                | 14,420               | 4.2 %        | 63.8 %         | (1.3) % |

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

(Yen in 100 millions)

|                                                                         | Results for year ended<br>March 31, 2014 | Forecasts for year ending<br>March 31, 2015 |
|-------------------------------------------------------------------------|------------------------------------------|---------------------------------------------|
| Direct premiums written (excluding deposit premiums from policyholders) | 12,327                                   | 12,404                                      |
| Change ratio                                                            | 2.8 %                                    | 0.6 %                                       |
| Net premiums written                                                    | 11,446                                   | 11,560                                      |
| Change ratio                                                            | 3.8 %                                    | 1.0 %                                       |
| Net loss ratio                                                          | 65.0 %                                   | 65.4 %                                      |
| Net expense ratio                                                       | 34.5 %                                   | 35.4 %                                      |
| Combined ratio                                                          | 99.5 %                                   | 100.8 %                                     |
| Underwriting profit/(loss)                                              | (288)                                    | 180                                         |
| Net interest and dividends income                                       | 459                                      | 345                                         |
| Ordinary profit/(loss)                                                  | 278                                      | 530                                         |
| Net income/(loss)                                                       | 131                                      | 390                                         |

(Reference) Excluding residential earthquake insurance and CALI

|                                      | Results for year ended<br>March 31, 2014 | Forecasts for year ending<br>March 31, 2015 |
|--------------------------------------|------------------------------------------|---------------------------------------------|
| Change ratio of net premiums written | 3.2 %                                    | 0.9 %                                       |
| Net loss ratio                       | 62.0 %                                   | 62.8 %                                      |
| Net expense ratio                    | 36.5 %                                   | 37.6 %                                      |
| Combined ratio                       | 98.5 %                                   | 100.4 %                                     |

Forecasts by line of insurance for the year ending March 31, 2015

(Yen in 100 millions)

|                      | Net premiums written |              | Net loss ratio |         |
|----------------------|----------------------|--------------|----------------|---------|
|                      |                      | Change ratio |                | Change  |
| Fire and allied      | 1,361                | 0.3 %        | 74.4 %         | 9.6 %   |
| Marine               | 74                   | (34.1) %     | 58.1 %         | 5.7 %   |
| Personal accident    | 711                  | (2.1) %      | 48.9 %         | (1.4) % |
| Voluntary automobile | 6,702                | 1.7 %        | 62.2 %         | (1.0) % |
| CALI                 | 1,666                | 1.4 %        | 81.6 %         | (1.4) % |
| Other                | 1,046                | 2.8 %        | 60.6 %         | 1.3 %   |
| Total                | 11,560               | 1.0 %        | 65.4 %         | 0.4 %   |

## [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                  | Six months ended<br>September 30, 2013 |              |                        | Six months ended<br>September 30, 2014 |              |                        |
|-------------------------------------|----------------------------------------|--------------|------------------------|----------------------------------------|--------------|------------------------|
|                                     | Amount                                 | Share<br>(%) | Change<br>ratio<br>(%) | Amount                                 | Share<br>(%) | Change<br>ratio<br>(%) |
| Fire and allied                     | 294,586                                | 18.0         | 9.6                    | 302,190                                | 17.9         | 2.6                    |
| Marine                              | 62,171                                 | 3.8          | 10.4                   | 66,888                                 | 4.0          | 7.6                    |
| Personal accident                   | 181,788                                | 11.1         | (2.0)                  | 181,634                                | 10.7         | (0.1)                  |
| Voluntary automobile                | 693,168                                | 42.4         | 4.0                    | 712,240                                | 42.2         | 2.8                    |
| CALI                                | 176,225                                | 10.8         | 10.7                   | 173,377                                | 10.3         | (1.6)                  |
| Other                               | 226,666                                | 13.9         | 9.0                    | 251,215                                | 14.9         | 10.8                   |
| <b>Total:</b>                       | <b>1,634,607</b>                       | <b>100.0</b> | <b>5.8</b>             | <b>1,687,545</b>                       | <b>100.0</b> | <b>3.2</b>             |
| Deposit premiums from policyholders | 77,593                                 | 4.7          | (8.0)                  | 73,856                                 | 4.4          | (4.8)                  |

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

|                      |                  |  |            |                  |  |            |
|----------------------|------------------|--|------------|------------------|--|------------|
| Voluntary Automobile | 692,353          |  | 3.8        | 713,046          |  | 3.0        |
| <b>Total</b>         | <b>1,633,792</b> |  | <b>5.8</b> | <b>1,688,351</b> |  | <b>3.3</b> |

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

(Yen in millions)

| Lines of Insurance   | Six months ended<br>September 30, 2013 |              |                        | Six months ended<br>September 30, 2014 |              |                        |
|----------------------|----------------------------------------|--------------|------------------------|----------------------------------------|--------------|------------------------|
|                      | Amount                                 | Share<br>(%) | Change<br>ratio<br>(%) | Amount                                 | Share<br>(%) | Change<br>ratio<br>(%) |
| Fire and allied      | 201,220                                | 14.1         | 14.7                   | 206,487                                | 13.9         | 2.6                    |
| Marine               | 50,357                                 | 3.5          | 12.6                   | 53,874                                 | 3.6          | 7.0                    |
| Personal accident    | 119,492                                | 8.4          | 2.0                    | 121,216                                | 8.2          | 1.4                    |
| Voluntary automobile | 699,813                                | 49.1         | 4.2                    | 720,486                                | 48.5         | 3.0                    |
| CALI                 | 165,253                                | 11.6         | 5.2                    | 175,708                                | 11.8         | 6.3                    |
| Other                | 188,825                                | 13.3         | 8.6                    | 207,734                                | 14.0         | 10.0                   |
| <b>Total</b>         | <b>1,424,962</b>                       | <b>100.0</b> | <b>6.4</b>             | <b>1,485,508</b>                       | <b>100.0</b> | <b>4.2</b>             |

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

|                      |                  |  |            |                  |  |            |
|----------------------|------------------|--|------------|------------------|--|------------|
| Voluntary automobile | 698,997          |  | 4.0        | 721,292          |  | 3.2        |
| <b>Total</b>         | <b>1,424,147</b> |  | <b>6.2</b> | <b>1,486,313</b> |  | <b>4.4</b> |

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

(Yen in millions)

| Lines of Insurance   | Six months ended<br>September 30, 2013 |              |                        | Six months ended<br>September 30, 2014 |              |                        |
|----------------------|----------------------------------------|--------------|------------------------|----------------------------------------|--------------|------------------------|
|                      | Amount                                 | Share<br>(%) | Change<br>ratio<br>(%) | Amount                                 | Share<br>(%) | Change<br>ratio<br>(%) |
| Fire and allied      | 120,349                                | 14.6         | (28.0)                 | 147,075                                | 17.8         | 22.2                   |
| Marine               | 26,609                                 | 3.2          | 29.4                   | 23,420                                 | 2.8          | (12.0)                 |
| Personal accident    | 58,438                                 | 7.1          | 2.7                    | 57,404                                 | 6.9          | (1.8)                  |
| Voluntary automobile | 397,337                                | 48.4         | (2.8)                  | 383,726                                | 46.4         | (3.4)                  |
| CALI                 | 130,476                                | 15.9         | (2.4)                  | 129,977                                | 15.7         | (0.4)                  |
| Other                | 88,342                                 | 10.8         | 1.6                    | 85,831                                 | 10.4         | (2.8)                  |
| <b>Total</b>         | <b>821,554</b>                         | <b>100.0</b> | <b>(6.0)</b>           | <b>827,436</b>                         | <b>100.0</b> | <b>0.7</b>             |

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

## (2) Available-for-Sale Securities

(Yen in millions)

| Items                                                     |                    | March 31, 2014  |           |            | September 30, 2014 |           |            |
|-----------------------------------------------------------|--------------------|-----------------|-----------|------------|--------------------|-----------|------------|
|                                                           |                    | Carrying amount | Cost      | Difference | Carrying amount    | Cost      | Difference |
| Securities whose carrying amount exceeds the cost         | Domestic Bonds     | 4,144,556       | 3,949,379 | 195,176    | 4,328,687          | 4,098,978 | 229,708    |
|                                                           | Stock              | 2,325,305       | 1,089,956 | 1,235,348  | 2,560,125          | 1,110,653 | 1,449,472  |
|                                                           | Foreign Securities | 1,006,666       | 911,825   | 94,840     | 1,248,779          | 1,124,266 | 124,513    |
|                                                           | Other Securities   | 81,726          | 74,417    | 7,308      | 78,024             | 68,244    | 9,780      |
|                                                           | Sub Total          | 7,558,254       | 6,025,579 | 1,532,674  | 8,215,617          | 6,402,142 | 1,813,474  |
| Securities whose carrying amount does not exceed the cost | Domestic Bonds     | 284,416         | 285,225   | (809)      | 156,278            | 156,446   | (167)      |
|                                                           | Stock              | 108,035         | 119,899   | (11,863)   | 77,006             | 85,399    | (8,392)    |
|                                                           | Foreign Securities | 471,499         | 481,210   | (9,711)    | 383,313            | 388,476   | (5,162)    |
|                                                           | Other Securities   | 33,231          | 33,246    | (14)       | 72,824             | 72,840    | (16)       |
|                                                           | Sub Total          | 897,183         | 919,582   | (22,399)   | 689,422            | 703,162   | (13,740)   |
| Total                                                     |                    | 8,455,437       | 6,945,161 | 1,510,275  | 8,905,040          | 7,105,305 | 1,799,734  |

| March 31, 2014                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | September 30, 2014                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. Available-for-sale securities without practically determinable fair value are not included in the above table.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | 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.                                                                                                                                                                                                                                                                                                                                                                                                           | 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 of ¥1,094 million on Available-for-sale securities with practically determinable fair value (comprised of ¥918 million on Stock and ¥176 million on Foreign securities) and ¥2,150 million on Available-for-sale securities without practically determinable fair value (comprised of ¥1,811 million on Stock and ¥339 million on Foreign securities).<br>In principle, the Company and its domestic consolidated subsidiaries recognize impairment losses on securities with practically determinable fair value if the fair value declines by 30% or more from the cost. | 3. The Company and its consolidated subsidiaries recognized impairment losses of ¥628 million on Available-for-sale securities with practically determinable fair value (comprised of ¥56 million on Stock, ¥571 million on Foreign securities and ¥0 million on Other securities) and ¥3,301 million on Available-for-sale securities without practically determinable fair value (comprised of ¥43 million on Stock and ¥3,257 million on Foreign securities).<br>In principle, the Company and its domestic consolidated subsidiaries recognize impairment losses on securities with practically determinable fair value if the fair value declines by 30% or more from the cost. |

## 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   | September 30, 2014 |
|-------------------------------------------------------------------|------------------|--------------------|
| (Assets)                                                          |                  |                    |
| Cash, deposits and savings                                        | 188,728          | 169,207            |
| Call loans                                                        | 50,000           | 43,000             |
| Receivables under resale agreements                               | 23,997           | 51,991             |
| Monetary claims bought                                            | 65,781           | 105,950            |
| Money trusts                                                      | 10,371           | 10,935             |
| Investments in securities                                         | 4,502,619        | 4,757,662          |
| Loans                                                             | 538,224          | 514,451            |
| Tangible fixed assets                                             | 238,938          | 233,231            |
| Intangible fixed assets                                           | 40,101           | 35,453             |
| Other assets                                                      | 406,584          | 388,927            |
| Customers' liabilities under acceptances and guarantees           | 49,094           | 47,047             |
| Bad debt reserve                                                  | (16,423)         | (14,637)           |
| <b>Total assets</b>                                               | <b>6,098,017</b> | <b>6,343,222</b>   |
| (Liabilities)                                                     |                  |                    |
| <b>Policy liabilities:</b>                                        | <b>3,945,530</b> | <b>3,943,575</b>   |
| Outstanding claims                                                | 652,310          | 635,670            |
| Underwriting reserves                                             | 3,293,219        | 3,307,905          |
| <b>Bonds issued</b>                                               | <b>176,185</b>   | <b>176,187</b>     |
| <b>Other liabilities:</b>                                         | <b>344,318</b>   | <b>356,492</b>     |
| Income taxes payable                                              | 4,890            | 4,850              |
| Lease obligations                                                 | 1,706            | 1,432              |
| Asset retirement obligations                                      | 4,634            | 3,710              |
| Other liabilities                                                 | 333,087          | 346,499            |
| <b>Reserve for pension and retirement benefits</b>                | <b>139,895</b>   | <b>141,559</b>     |
| <b>Reserve for retirement benefits for officers</b>               | <b>1,070</b>     | <b>991</b>         |
| <b>Accrued bonuses for employees</b>                              | <b>11,249</b>    | <b>8,168</b>       |
| <b>Reserves under the special laws:</b>                           | <b>19,731</b>    | <b>21,053</b>      |
| Reserve for price fluctuation                                     | 19,731           | 21,053             |
| <b>Deferred tax liabilities</b>                                   | <b>101,331</b>   | <b>174,939</b>     |
| <b>Acceptances and guarantees</b>                                 | <b>49,094</b>    | <b>47,047</b>      |
| <b>Total liabilities</b>                                          | <b>4,788,409</b> | <b>4,870,014</b>   |
| (Net assets)                                                      |                  |                    |
| <b>Common stock</b>                                               | <b>139,595</b>   | <b>139,595</b>     |
| <b>Capital surplus</b>                                            | <b>93,107</b>    | <b>93,107</b>      |
| <b>Retained earnings</b>                                          | <b>240,357</b>   | <b>274,682</b>     |
| <b>Total shareholders' equity</b>                                 | <b>473,061</b>   | <b>507,385</b>     |
| <b>Net unrealized gains/(losses) on investments in securities</b> | <b>813,116</b>   | <b>937,323</b>     |
| <b>Net deferred gains/(losses) on hedges</b>                      | <b>23,430</b>    | <b>28,497</b>      |
| <b>Total valuation and translation adjustments</b>                | <b>836,547</b>   | <b>965,821</b>     |
| <b>Total net assets</b>                                           | <b>1,309,608</b> | <b>1,473,207</b>   |
| <b>Total liabilities and net assets</b>                           | <b>6,098,017</b> | <b>6,343,222</b>   |

**Non-Consolidated Statements of Income**

(Yen in millions)

| Items                                                                | Six months ended<br>September 30, 2013 | Six months ended<br>September 30, 2014 |
|----------------------------------------------------------------------|----------------------------------------|----------------------------------------|
| <b>Ordinary income:</b>                                              | <b>891,899</b>                         | <b>880,786</b>                         |
| <b>Underwriting income:</b>                                          | <b>816,308</b>                         | <b>825,258</b>                         |
| Net premiums written                                                 | 701,528                                | 728,321                                |
| Deposit premiums from policyholders                                  | 58,709                                 | 56,771                                 |
| Investment income on deposit premiums from policyholders             | 20,769                                 | 19,776                                 |
| Reversal of outstanding claims                                       | 18,320                                 | 16,640                                 |
| Reversal of underwriting reserves                                    | 16,912                                 | -                                      |
| <b>Investment income:</b>                                            | <b>74,095</b>                          | <b>52,962</b>                          |
| Interest and dividends income                                        | 60,194                                 | 56,584                                 |
| Investment gains on money trusts                                     | 308                                    | 568                                    |
| Gains on sales of securities                                         | 26,807                                 | 9,614                                  |
| Gains on derivative transactions                                     | 6,101                                  | 1,677                                  |
| Transfer of investment income on deposit premiums from policyholders | (20,769)                               | (19,776)                               |
| <b>Other ordinary income</b>                                         | <b>1,495</b>                           | <b>2,565</b>                           |
| <b>Ordinary expenses:</b>                                            | <b>804,534</b>                         | <b>809,531</b>                         |
| <b>Underwriting expenses:</b>                                        | <b>688,753</b>                         | <b>695,302</b>                         |
| Net claims paid                                                      | 408,634                                | 405,952                                |
| Loss adjustment expenses                                             | 39,188                                 | 42,126                                 |
| Commissions and collection expenses                                  | 121,369                                | 128,014                                |
| Maturity refunds to policyholders                                    | 117,131                                | 103,923                                |
| Provision for underwriting reserves                                  | -                                      | 14,685                                 |
| <b>Investment expenses:</b>                                          | <b>3,996</b>                           | <b>4,991</b>                           |
| Losses on sales of securities                                        | 459                                    | 23                                     |
| Impairment losses on securities                                      | 1,080                                  | 3,664                                  |
| <b>Operating expenses and general and administrative expenses</b>    | <b>101,545</b>                         | <b>106,128</b>                         |
| <b>Other ordinary expenses:</b>                                      | <b>10,238</b>                          | <b>3,109</b>                           |
| Interest expense                                                     | 3,521                                  | 2,948                                  |
| <b>Ordinary profit</b>                                               | <b>87,365</b>                          | <b>71,254</b>                          |
| <b>Extraordinary income</b>                                          | <b>223</b>                             | <b>3,704</b>                           |
| <b>Extraordinary losses</b>                                          | <b>3,087</b>                           | <b>3,915</b>                           |
| <b>Income before income taxes</b>                                    | <b>84,501</b>                          | <b>71,043</b>                          |
| <b>Income taxes - current</b>                                        | <b>1,122</b>                           | <b>2,263</b>                           |
| <b>Income taxes - deferred</b>                                       | <b>22,985</b>                          | <b>18,256</b>                          |
| <b>Total income taxes</b>                                            | <b>24,107</b>                          | <b>20,520</b>                          |
| <b>Net income</b>                                                    | <b>60,394</b>                          | <b>50,523</b>                          |

## Non-Consolidated Solvency Margin Ratio

Insurance companies running their business in Japan calculate the non-consolidated solvency margin ratio pursuant to the provisions of Articles 86 and 87 of the Insurance Business Act Enforcement Regulations and Public Notice No. 50 issued by the Ministry of Finance in 1996.

While insurance companies set aside reserves to provide for payments of insurance claims should an insured event occur, they are also required to maintain sufficient funds to pay out in an event outside the normal range of estimates such as a major catastrophe and a significant drop in the value of their assets.

The non-consolidated solvency margin ratio, or item (C) in each of the tables below, which is calculated in accordance with the Insurance Business Act, is the ratio of "solvency margin of insurance companies calculated based on their capital and other reserves", or (A) the total amount of solvency margin, to "risks exceeding the normal range of estimates", or (B) the total amount of risks.

The non-consolidated solvency margin ratio is one of the objective indicators used by the insurance regulatory authorities to supervise insurance companies. A non-consolidated solvency margin ratio of 200% or over indicates adequate ability to satisfy insurance claims and other payment requirements.

(Yen in millions)

|                                                                                             | March 31, 2014 | September 30, 2014 |
|---------------------------------------------------------------------------------------------|----------------|--------------------|
| (A) Total amount of solvency margin                                                         | 2,120,694      | 2,341,158          |
| Total net assets                                                                            | 456,862        | 488,786            |
| Reserve for price fluctuation                                                               | 19,731         | 21,053             |
| Contingency reserve                                                                         | 175            | 295                |
| Catastrophe reserve                                                                         | 410,755        | 420,213            |
| General bad debt reserve                                                                    | 1,420          | 1,364              |
| Net unrealized gains/(losses) on investments in securities (prior to tax effect deductions) | 1,054,940      | 1,215,569          |
| Net unrealized gains/(losses) on land                                                       | 31,656         | 34,366             |
| Excess of policyholders' contract deposits (a)                                              | -              | -                  |
| Subordinated debts, etc. (b)                                                                | 106,191        | 106,191            |
| Amount excluded from the margin, out of (a) and (b)                                         | -              | -                  |
| Deductions                                                                                  | 43,155         | 43,150             |
| Others                                                                                      | 82,117         | 96,469             |
| (B) Total amount of risks $\sqrt{(R_1 + R_2)^2 + (R_3 + R_4)^2} + R_5 + R_6$                | 706,497        | 755,267            |
| General insurance risk ( $R_1$ )                                                            | 113,474        | 114,142            |
| Insurance risk of third sector insurance contracts ( $R_2$ )                                | -              | -                  |
| Assumed interest rate risk ( $R_3$ )                                                        | 19,248         | 19,070             |
| Asset management risk ( $R_4$ )                                                             | 527,293        | 559,865            |
| Business administration risk ( $R_5$ )                                                      | 15,849         | 16,828             |
| Catastrophe risk ( $R_6$ )                                                                  | 132,450        | 148,358            |
| (C) Solvency margin ratio<br>[(A) / {(B) x 1/2}] x 100                                      | 600.3 %        | 619.9 %            |

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

**Non-Consolidated Balance Sheets**

(Yen in millions)

| Items                                                             | March 31, 2014   | September 30, 2014 |
|-------------------------------------------------------------------|------------------|--------------------|
| (Assets)                                                          |                  |                    |
| Cash, deposits and savings                                        | 81,958           | 127,300            |
| Call loans                                                        | 21,000           | 15,000             |
| Monetary claims bought                                            | 477              | 273                |
| Money trusts                                                      | 2,310            | 2,444              |
| Investments in securities                                         | 2,365,453        | 2,398,078          |
| Loans                                                             | 220,015          | 217,350            |
| Tangible fixed assets                                             | 183,620          | 180,573            |
| Intangible fixed assets                                           | 33,390           | 31,450             |
| Other assets                                                      | 222,050          | 246,307            |
| Prepaid pension expenses                                          | 43,472           | 44,280             |
| Deferred tax assets                                               | 78,076           | 32,723             |
| Customers' liabilities under acceptances and guarantees           | 7,500            | 9,500              |
| Bad debt reserve                                                  | (2,146)          | (2,097)            |
| <b>Total assets</b>                                               | <b>3,257,180</b> | <b>3,303,185</b>   |
| (Liabilities)                                                     |                  |                    |
| <b>Policy liabilities:</b>                                        | <b>2,420,418</b> | <b>2,377,414</b>   |
| Outstanding claims                                                | 510,416          | 491,837            |
| Underwriting reserves                                             | 1,910,002        | 1,885,576          |
| <b>Bonds issued</b>                                               | <b>50,000</b>    | <b>50,000</b>      |
| <b>Other liabilities:</b>                                         | <b>153,051</b>   | <b>138,582</b>     |
| Income taxes payable                                              | 2,790            | 2,990              |
| Lease obligations                                                 | 328              | 273                |
| Asset retirement obligations                                      | 558              | 560                |
| Other liabilities                                                 | 149,374          | 134,758            |
| <b>Reserve for pension and retirement benefits</b>                | <b>13,775</b>    | <b>15,556</b>      |
| <b>Accrued bonuses for employees</b>                              | <b>5,962</b>     | <b>5,288</b>       |
| <b>Reserve for Reorganization by Function</b>                     | <b>3,040</b>     | <b>1,578</b>       |
| <b>Reserves under the special laws:</b>                           | <b>3,239</b>     | <b>4,030</b>       |
| Reserve for price fluctuation                                     | 3,239            | 4,030              |
| <b>Acceptances and guarantees</b>                                 | <b>7,500</b>     | <b>9,500</b>       |
| <b>Total liabilities</b>                                          | <b>2,656,987</b> | <b>2,601,951</b>   |
| (Net assets)                                                      |                  |                    |
| <b>Common stock</b>                                               | <b>100,005</b>   | <b>100,005</b>     |
| <b>Capital surplus</b>                                            | <b>81,210</b>    | <b>81,210</b>      |
| <b>Retained earnings</b>                                          | <b>197,397</b>   | <b>234,885</b>     |
| <b>Total shareholders' equity</b>                                 | <b>378,612</b>   | <b>416,100</b>     |
| <b>Net unrealized gains/(losses) on investments in securities</b> | <b>221,580</b>   | <b>285,133</b>     |
| <b>Total valuation and translation adjustments</b>                | <b>221,580</b>   | <b>285,133</b>     |
| <b>Total net assets</b>                                           | <b>600,192</b>   | <b>701,234</b>     |
| <b>Total liabilities and net assets</b>                           | <b>3,257,180</b> | <b>3,303,185</b>   |

**Non-Consolidated Statements of Income**

(Yen in millions)

| Items                                                                | Six months ended<br>September 30, 2013 | Six months ended<br>September 30, 2014 |
|----------------------------------------------------------------------|----------------------------------------|----------------------------------------|
| <b>Ordinary income:</b>                                              | <b>658,398</b>                         | <b>684,949</b>                         |
| <b>Underwriting income:</b>                                          | <b>621,099</b>                         | <b>656,226</b>                         |
| Net premiums written                                                 | 577,516                                | 583,687                                |
| Deposit premiums from policyholders                                  | 18,883                                 | 17,084                                 |
| Investment income on deposit premiums from policyholders             | 9,735                                  | 9,315                                  |
| Reversal of outstanding claims                                       | -                                      | 18,578                                 |
| Reversal of underwriting reserves                                    | 13,777                                 | 24,425                                 |
| <b>Investment income:</b>                                            | <b>35,716</b>                          | <b>26,641</b>                          |
| Interest and dividends income                                        | 34,659                                 | 28,883                                 |
| Investment gains on money trusts                                     | 0                                      | 0                                      |
| Gains on sales of securities                                         | 10,645                                 | 6,837                                  |
| Transfer of investment income on deposit premiums from policyholders | (9,735)                                | (9,315)                                |
| <b>Other ordinary income</b>                                         | <b>1,581</b>                           | <b>2,081</b>                           |
| <b>Ordinary expenses:</b>                                            | <b>618,326</b>                         | <b>627,588</b>                         |
| <b>Underwriting expenses:</b>                                        | <b>517,295</b>                         | <b>521,020</b>                         |
| Net claims paid                                                      | 337,513                                | 342,825                                |
| Loss adjustment expenses                                             | 25,418                                 | 26,993                                 |
| Commissions and collection expenses                                  | 103,155                                | 108,336                                |
| Maturity refunds to policyholders                                    | 40,864                                 | 41,965                                 |
| Provision for outstanding claims                                     | 9,408                                  | -                                      |
| <b>Investment expenses:</b>                                          | <b>5,339</b>                           | <b>6,878</b>                           |
| Losses on sales of securities                                        | 786                                    | 4,743                                  |
| Impairment losses on securities                                      | 3,120                                  | 877                                    |
| Losses on derivative transactions                                    | 77                                     | 934                                    |
| <b>Operating expenses and general and administrative expenses</b>    | <b>95,157</b>                          | <b>99,107</b>                          |
| <b>Other ordinary expenses:</b>                                      | <b>534</b>                             | <b>582</b>                             |
| Interest expense                                                     | 376                                    | 376                                    |
| <b>Ordinary profit</b>                                               | <b>40,071</b>                          | <b>57,361</b>                          |
| <b>Extraordinary income</b>                                          | <b>533</b>                             | <b>10,070</b>                          |
| <b>Extraordinary losses</b>                                          | <b>1,214</b>                           | <b>2,440</b>                           |
| <b>Income before income taxes</b>                                    | <b>39,390</b>                          | <b>64,990</b>                          |
| <b>Income taxes - current</b>                                        | <b>757</b>                             | <b>1,117</b>                           |
| <b>Income taxes - deferred</b>                                       | <b>10,281</b>                          | <b>17,285</b>                          |
| <b>Total income taxes</b>                                            | <b>11,039</b>                          | <b>18,402</b>                          |
| <b>Net income</b>                                                    | <b>28,351</b>                          | <b>46,588</b>                          |

**Non-Consolidated Solvency Margin Ratio**

(Yen in millions)

|                                                                                             | March 31, 2014 | September 30, 2014 |
|---------------------------------------------------------------------------------------------|----------------|--------------------|
| (A) Total amount of solvency margin                                                         | 1,027,044      | 1,154,532          |
| Total net assets                                                                            | 369,512        | 406,801            |
| Reserve for price fluctuation                                                               | 3,239          | 4,030              |
| Contingency reserve                                                                         | 747            | 791                |
| Catastrophe reserve                                                                         | 257,490        | 245,403            |
| General bad debt reserve                                                                    | 418            | 454                |
| Net unrealized gains/(losses) on investments in securities (prior to tax effect deductions) | 287,683        | 370,142            |
| Net unrealized gains/(losses) on land                                                       | 2,038          | 4,576              |
| 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          | 9,950              |
| Others                                                                                      | 65,866         | 82,283             |
| (B) Total amount of risks $\sqrt{(R_1 + R_2)^2 + (R_3 + R_4)^2} + R_5 + R_6$                | 272,396        | 291,335            |
| General insurance risk (R <sub>1</sub> )                                                    | 101,281        | 101,513            |
| Insurance risk of third sector insurance contracts (R <sub>2</sub> )                        | -              | -                  |
| Assumed interest rate risk (R <sub>3</sub> )                                                | 9,911          | 9,675              |
| Asset management risk (R <sub>4</sub> )                                                     | 179,721        | 192,417            |
| Business administration risk (R <sub>5</sub> )                                              | 6,829          | 7,231              |
| Catastrophe risk (R <sub>6</sub> )                                                          | 50,581         | 57,948             |
| (C) Solvency margin ratio<br>[(A) / {(B) x 1/2}] x 100                                      | 754.0 %        | 792.5 %            |

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

#### Non-Consolidated Balance Sheets

(Yen in millions)

| Items                                                             | March 31, 2014  | September 30, 2014 |
|-------------------------------------------------------------------|-----------------|--------------------|
| (Assets)                                                          |                 |                    |
| <b>Cash, deposits and savings</b>                                 | <b>3,319</b>    | <b>3,080</b>       |
| <b>Investments in securities</b>                                  | <b>35,104</b>   | <b>36,010</b>      |
| <b>Tangible fixed assets</b>                                      | <b>212</b>      | <b>177</b>         |
| <b>Intangible fixed assets</b>                                    | <b>2,073</b>    | <b>2,000</b>       |
| <b>Other assets</b>                                               | <b>5,878</b>    | <b>5,077</b>       |
| <b>Bad debt reserve</b>                                           | <b>(3)</b>      | <b>(2)</b>         |
| <b>Total assets</b>                                               | <b>46,584</b>   | <b>46,345</b>      |
| (Liabilities)                                                     |                 |                    |
| <b>Policy liabilities:</b>                                        | <b>34,079</b>   | <b>34,813</b>      |
| Outstanding claims                                                | 14,582          | 16,398             |
| Underwriting reserves                                             | 19,497          | 18,415             |
| <b>Other liabilities:</b>                                         | <b>988</b>      | <b>853</b>         |
| Income taxes payable                                              | 99              | 99                 |
| Asset retirement obligations                                      | 12              | 12                 |
| Other liabilities                                                 | 876             | 740                |
| <b>Accrued bonuses for employees</b>                              | <b>214</b>      | <b>150</b>         |
| <b>Reserves under the special laws:</b>                           | <b>34</b>       | <b>37</b>          |
| Reserve for price fluctuation                                     | 34              | 37                 |
| <b>Deferred tax liabilities</b>                                   | <b>44</b>       | <b>58</b>          |
| <b>Total liabilities</b>                                          | <b>35,360</b>   | <b>35,913</b>      |
| (Net assets)                                                      |                 |                    |
| <b>Common stock</b>                                               | <b>32,600</b>   | <b>32,600</b>      |
| <b>Capital surplus</b>                                            | <b>2,500</b>    | <b>2,500</b>       |
| <b>Retained earnings</b>                                          | <b>(24,054)</b> | <b>(24,799)</b>    |
| <b>Total shareholders' equity</b>                                 | <b>11,045</b>   | <b>10,300</b>      |
| <b>Net unrealized gains/(losses) on investments in securities</b> | <b>178</b>      | <b>131</b>         |
| <b>Total valuation and translation adjustments</b>                | <b>178</b>      | <b>131</b>         |
| <b>Total net assets</b>                                           | <b>11,223</b>   | <b>10,432</b>      |
| <b>Total liabilities and net assets</b>                           | <b>46,584</b>   | <b>46,345</b>      |

**Non-Consolidated Statements of Income**

(Yen in millions)

| Items                                                                | Six months ended<br>September 30, 2013 | Six months ended<br>September 30, 2014 |
|----------------------------------------------------------------------|----------------------------------------|----------------------------------------|
| <b>Ordinary income:</b>                                              | <b>18,406</b>                          | <b>18,301</b>                          |
| <b>Underwriting income:</b>                                          | <b>18,335</b>                          | <b>18,233</b>                          |
| Net premiums written                                                 | 17,513                                 | 17,143                                 |
| Investment income on deposit premiums from policyholders             | 7                                      | 8                                      |
| Reversal of underwriting reserves                                    | 814                                    | 1,081                                  |
| <b>Investment income:</b>                                            | <b>66</b>                              | <b>62</b>                              |
| Interest and dividends income                                        | 74                                     | 71                                     |
| Transfer of investment income on deposit premiums from policyholders | (7)                                    | (8)                                    |
| <b>Other ordinary income</b>                                         | <b>3</b>                               | <b>4</b>                               |
| <b>Ordinary expenses:</b>                                            | <b>17,619</b>                          | <b>18,997</b>                          |
| <b>Underwriting expenses:</b>                                        | <b>13,967</b>                          | <b>15,245</b>                          |
| Net claims paid                                                      | 12,151                                 | 12,029                                 |
| Loss adjustment expenses                                             | 1,203                                  | 1,309                                  |
| Commissions and collection expenses                                  | 97                                     | 90                                     |
| Provision for outstanding claims                                     | 514                                    | 1,815                                  |
| <b>Investment expenses</b>                                           | <b>-</b>                               | <b>-</b>                               |
| <b>Operating expenses and general and administrative expenses</b>    | <b>3,650</b>                           | <b>3,751</b>                           |
| <b>Other ordinary expenses</b>                                       | <b>1</b>                               | <b>1</b>                               |
| <b>Ordinary profit/(loss)</b>                                        | <b>786</b>                             | <b>(696)</b>                           |
| <b>Extraordinary income</b>                                          | <b>-</b>                               | <b>-</b>                               |
| <b>Extraordinary losses</b>                                          | <b>12</b>                              | <b>4</b>                               |
| <b>Income/(loss) before income taxes</b>                             | <b>774</b>                             | <b>(701)</b>                           |
| <b>Income taxes - current</b>                                        | <b>15</b>                              | <b>9</b>                               |
| <b>Income taxes - deferred</b>                                       | <b>-</b>                               | <b>34</b>                              |
| <b>Total income taxes</b>                                            | <b>15</b>                              | <b>43</b>                              |
| <b>Net income/(loss)</b>                                             | <b>758</b>                             | <b>(744)</b>                           |

**Non-Consolidated Solvency Margin Ratio**

(Yen in millions)

|                                                                                             | March 31, 2014 | September 30, 2014 |
|---------------------------------------------------------------------------------------------|----------------|--------------------|
| (A) Total amount of solvency margin                                                         | 12,460         | 11,080             |
| Total net assets                                                                            | 11,045         | 10,300             |
| Reserve for price fluctuation                                                               | 34             | 37                 |
| Contingency reserve                                                                         | 0              | 0                  |
| Catastrophe reserve                                                                         | 1,147          | 570                |
| General bad debt reserve                                                                    | 1              | 0                  |
| Net unrealized gains/(losses) on investments in securities (prior to tax effect deductions) | 231            | 170                |
| Net unrealized gains/(losses) on land                                                       | -              | -                  |
| Excess of policyholders' contract deposits (a)                                              | -              | -                  |
| Subordinated debts, etc. (b)                                                                | -              | -                  |
| Amount excluded from the margin, out of (a) and (b)                                         | -              | -                  |
| Deductions                                                                                  | -              | -                  |
| Others                                                                                      | -              | -                  |
| (B) Total amount of risks $\sqrt{(R_1 + R_2)^2 + (R_3 + R_4)^2} + R_5 + R_6$                | 5,921          | 5,923              |
| General insurance risk ( $R_1$ )                                                            | 5,378          | 5,378              |
| Insurance risk of third sector insurance contracts ( $R_2$ )                                | -              | -                  |
| Assumed interest rate risk ( $R_3$ )                                                        | 0              | 0                  |
| Asset management risk ( $R_4$ )                                                             | 735            | 751                |
| Business administration risk ( $R_5$ )                                                      | 192            | 192                |
| Catastrophe risk ( $R_6$ )                                                                  | 300            | 300                |
| (C) Solvency margin ratio<br>$[(A) / \{(B) \times 1/2\}] \times 100$                        | 420.8 %        | 374.0 %            |

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

**Non-Consolidated Balance Sheets**

(Yen in millions)

| Items                                                             | March 31, 2014   | September 30, 2014 |
|-------------------------------------------------------------------|------------------|--------------------|
| <b>(Assets)</b>                                                   |                  |                    |
| Cash, deposits and savings                                        | 30,830           | 20,233             |
| Call loans                                                        | 458              | 494                |
| Receivables under securities borrowing transactions               | 228,706          | 245,465            |
| Investments in securities                                         | 2,285,544        | 2,416,082          |
| Loans                                                             | 49,470           | 49,704             |
| Tangible fixed assets                                             | 1,882            | 2,293              |
| Intangible fixed assets                                           | 4,039            | 15,398             |
| Due from agencies                                                 | 225              | 274                |
| Reinsurance accounts receivable                                   | 694              | 53                 |
| Other assets                                                      | 34,279           | 34,921             |
| Bad debt reserve                                                  | (78)             | (67)               |
| <b>Total assets</b>                                               | <b>2,636,052</b> | <b>2,784,853</b>   |
| <b>(Liabilities)</b>                                              |                  |                    |
| <b>Policy liabilities:</b>                                        | <b>2,242,550</b> | <b>2,350,943</b>   |
| Outstanding claims                                                | 21,204           | 22,663             |
| Underwriting reserves                                             | 2,214,832        | 2,321,303          |
| Reserve for dividends to policyholders                            | 6,514            | 6,976              |
| <b>Due to agencies</b>                                            | <b>5,281</b>     | <b>5,260</b>       |
| <b>Reinsurance accounts payable</b>                               | <b>282</b>       | <b>217</b>         |
| <b>Other liabilities:</b>                                         | <b>238,290</b>   | <b>256,848</b>     |
| Payables under securities lending transactions                    | 229,164          | 245,959            |
| Income taxes payable                                              | 2,120            | 1,839              |
| Lease obligations                                                 | 751              | 625                |
| Asset retirement obligations                                      | 364              | 728                |
| Other liabilities                                                 | 5,889            | 7,695              |
| <b>Reserve for pension and retirement benefits</b>                | <b>1,609</b>     | <b>1,758</b>       |
| <b>Reserve for retirement benefits for officers</b>               | <b>50</b>        | <b>45</b>          |
| <b>Reserves under the special laws:</b>                           | <b>3,912</b>     | <b>4,192</b>       |
| Reserve for price fluctuation                                     | 3,912            | 4,192              |
| <b>Deferred tax liabilities</b>                                   | <b>12,075</b>    | <b>17,527</b>      |
| <b>Total liabilities</b>                                          | <b>2,504,052</b> | <b>2,636,793</b>   |
| <b>(Net assets)</b>                                               |                  |                    |
| <b>Common stock</b>                                               | <b>35,500</b>    | <b>35,500</b>      |
| <b>Capital surplus</b>                                            | <b>43,688</b>    | <b>43,688</b>      |
| <b>Retained earnings</b>                                          | <b>(8,908)</b>   | <b>(5,472)</b>     |
| <b>Total shareholders' equity</b>                                 | <b>70,279</b>    | <b>73,716</b>      |
| <b>Net unrealized gains/(losses) on investments in securities</b> | <b>61,719</b>    | <b>74,343</b>      |
| <b>Total valuation and translation adjustments</b>                | <b>61,719</b>    | <b>74,343</b>      |
| <b>Total net assets</b>                                           | <b>131,999</b>   | <b>148,059</b>     |
| <b>Total liabilities and net assets</b>                           | <b>2,636,052</b> | <b>2,784,853</b>   |

**Non-Consolidated Statements of Income**

(Yen in millions)

| Items                                                                    | Six months ended<br>September 30, 2013 | Six months ended<br>September 30, 2014 |
|--------------------------------------------------------------------------|----------------------------------------|----------------------------------------|
| <b>Ordinary income:</b>                                                  | <b>223,925</b>                         | <b>235,936</b>                         |
| <b>Insurance premiums and others:</b>                                    | <b>202,552</b>                         | <b>215,382</b>                         |
| Insurance premiums                                                       | 202,407                                | 215,301                                |
| <b>Investment income:</b>                                                | <b>20,811</b>                          | <b>20,106</b>                          |
| Interest and dividends income                                            | 18,152                                 | 19,477                                 |
| Gains on sales of securities                                             | 2,643                                  | 611                                    |
| <b>Other ordinary income</b>                                             | <b>561</b>                             | <b>447</b>                             |
| <b>Ordinary expenses:</b>                                                | <b>215,898</b>                         | <b>228,061</b>                         |
| <b>Insurance claims and others:</b>                                      | <b>81,928</b>                          | <b>78,124</b>                          |
| Insurance claims                                                         | 21,748                                 | 16,186                                 |
| Annuity payments                                                         | 4,668                                  | 5,242                                  |
| Benefits                                                                 | 5,660                                  | 5,883                                  |
| Surrender benefits                                                       | 47,978                                 | 48,662                                 |
| Other refunds                                                            | 1,244                                  | 1,470                                  |
| <b>Provision for underwriting reserves and others:</b>                   | <b>95,344</b>                          | <b>107,931</b>                         |
| Provision for outstanding claims                                         | 441                                    | 1,459                                  |
| Provision for underwriting reserves                                      | 94,902                                 | 106,471                                |
| Provision for interest portion of reserve for dividends to policyholders | 0                                      | 0                                      |
| <b>Investment expenses:</b>                                              | <b>598</b>                             | <b>203</b>                             |
| Interest expense                                                         | 143                                    | 142                                    |
| Losses on sales of securities                                            | 437                                    | 21                                     |
| <b>Operating expenses</b>                                                | <b>34,557</b>                          | <b>36,910</b>                          |
| <b>Other ordinary expenses</b>                                           | <b>3,470</b>                           | <b>4,892</b>                           |
| <b>Ordinary profit</b>                                                   | <b>8,026</b>                           | <b>7,874</b>                           |
| <b>Extraordinary income</b>                                              | <b>1</b>                               | <b>3</b>                               |
| <b>Extraordinary losses</b>                                              | <b>258</b>                             | <b>294</b>                             |
| <b>Provision for reserve for dividends to policyholders</b>              | <b>2,625</b>                           | <b>2,458</b>                           |
| <b>Income before income taxes</b>                                        | <b>5,144</b>                           | <b>5,125</b>                           |
| <b>Income taxes - current</b>                                            | <b>232</b>                             | <b>1,837</b>                           |
| <b>Income taxes - deferred</b>                                           | <b>1,616</b>                           | <b>(148)</b>                           |
| <b>Total income taxes</b>                                                | <b>1,849</b>                           | <b>1,688</b>                           |
| <b>Net income</b>                                                        | <b>3,294</b>                           | <b>3,436</b>                           |

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

## (1) Policies in force

(Yen in millions)

|                      | March 31, 2014                       |            | September 30, 2014                   |            |
|----------------------|--------------------------------------|------------|--------------------------------------|------------|
|                      | Number of policies<br>(in thousands) | Amount     | Number of policies<br>(in thousands) | Amount     |
| Individual insurance | 2,406                                | 20,317,959 | 2,506                                | 20,752,022 |
| Individual annuities | 187                                  | 787,086    | 187                                  | 782,120    |
| Group insurance      | -                                    | 5,124,978  | -                                    | 5,246,620  |
| Group annuities      | -                                    | 399        | -                                    | 392        |

(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)

|                      | Six months ended September 30, 2013  |           |              |                               | Six months ended September 30, 2014  |           |              |                               |
|----------------------|--------------------------------------|-----------|--------------|-------------------------------|--------------------------------------|-----------|--------------|-------------------------------|
|                      | Number of policies<br>(in thousands) | Amount    | New policies | Net increase<br>by conversion | Number of policies<br>(in thousands) | Amount    | New policies | Net increase<br>by conversion |
| Individual insurance | 116                                  | 1,326,331 | 1,326,331    | -                             | 171                                  | 1,243,033 | 1,243,033    | -                             |
| Individual annuities | 6                                    | 47,555    | 47,555       | -                             | 3                                    | 24,530    | 24,530       | -                             |
| Group insurance      | -                                    | 35,854    | 35,854       | -                             | -                                    | 66,674    | 66,674       | -                             |
| 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 | September 30, 2014 |
|--------------------------------------------|----------------|--------------------|
| Individual insurance                       | 291,663        | 301,897            |
| Individual annuities                       | 44,191         | 44,131             |
| Total:                                     | 335,854        | 346,028            |
| Medical coverage,<br>living benefits, etc. | 61,175         | 65,862             |

## (2) New policies

(Yen in millions)

|                                            | Six months ended<br>September 30, 2013 | Six months ended<br>September 30, 2014 |
|--------------------------------------------|----------------------------------------|----------------------------------------|
| Individual insurance                       | 18,019                                 | 22,208                                 |
| Individual annuities                       | 2,382                                  | 1,379                                  |
| Total:                                     | 20,401                                 | 23,588                                 |
| Medical coverage,<br>living benefits, etc. | 3,889                                  | 7,283                                  |

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

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

**Non-Consolidated Business Performance**

(Yen in millions)

|                                                         | Six months ended<br>September 30, 2013 | Six months ended<br>September 30, 2014 | Change  |
|---------------------------------------------------------|----------------------------------------|----------------------------------------|---------|
| Fundamental revenues:                                   | 221,290                                | 235,314                                | 14,023  |
| Insurance premiums and others                           | 202,552                                | 215,382                                | 12,830  |
| Fundamental expenses                                    | 214,834                                | 226,857                                | 12,023  |
| Fundamental profit                                      | 6,456                                  | 8,456                                  | 2,000   |
| Capital gains/(losses)                                  | 2,202                                  | 574                                    | (1,628) |
| Non-recurring gains/(losses)                            | (632)                                  | (1,155)                                | (523)   |
| Ordinary profit                                         | 8,026                                  | 7,874                                  | (151)   |
| Extraordinary income                                    | 1                                      | 3                                      | 1       |
| Extraordinary losses                                    | 258                                    | 294                                    | 35      |
| Provision for reserve for dividends to<br>policyholders | 2,625                                  | 2,458                                  | (166)   |
| Income taxes                                            | 1,849                                  | 1,688                                  | (160)   |
| Net income                                              | 3,294                                  | 3,436                                  | 141     |

**Non-Consolidated Solvency Margin Ratio**

(Yen in millions)

|                                                                              | March 31, 2014 | September 30, 2014 |
|------------------------------------------------------------------------------|----------------|--------------------|
| (A) Total amount of solvency margin                                          | 276,449        | 302,851            |
| Total capital                                                                | 70,279         | 73,716             |
| Reserve for price fluctuation                                                | 3,912          | 4,192              |
| Contingency reserve                                                          | 23,652         | 24,812             |
| General bad debt reserve                                                     | 12             | 6                  |
| Net unrealized gains/(losses) on investments in securities x 90%             | 80,190         | 96,592             |
| Net unrealized gains/(losses) on land x 85%                                  | -              | -                  |
| Excess of continued Zillmerized reserve (a)                                  | 128,068        | 130,735            |
| Subordinated debts, etc. (b)                                                 | -              | -                  |
| Amount excluded from the margin, out of (a) and (b)                          | (29,945)       | (27,609)           |
| Brought in capital                                                           | -              | -                  |
| Deductions                                                                   | -              | -                  |
| Others                                                                       | 277            | 406                |
| (B) Total amount of risks $\sqrt{(R_1 + R_8)^2 + (R_2 + R_3 + R_7)^2} + R_4$ | 43,710         | 45,632             |
| Insurance risk ( $R_1$ )                                                     | 14,298         | 14,594             |
| Insurance risk of third sector insurance contracts ( $R_8$ )                 | 6,082          | 6,848              |
| Assumed interest rate risk ( $R_2$ )                                         | 2,958          | 2,990              |
| Minimum guarantee risk ( $R_7$ )                                             | -              | -                  |
| Asset management risk ( $R_3$ )                                              | 33,761         | 35,249             |
| Business administration risk ( $R_4$ )                                       | 1,713          | 1,790              |
| (C) Solvency margin ratio<br>[(A) / {(B) x 1/2}] x 100                       | 1,264.9 %      | 1,327.3 %          |

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

**Non-Consolidated Balance Sheets**

(Yen in millions)

| Items                                                             | March 31, 2014   | September 30, 2014 |
|-------------------------------------------------------------------|------------------|--------------------|
| (Assets)                                                          |                  |                    |
| Cash, deposits and savings                                        | 40,523           | 53,613             |
| Call loans                                                        | 7,191            | 69,752             |
| Money trusts                                                      | 680,806          | 648,045            |
| Investments in securities                                         | 3,350,422        | 3,674,724          |
| Loans                                                             | 448              | 436                |
| Tangible fixed assets                                             | 945              | 837                |
| Intangible fixed assets                                           | 3,696            | 3,926              |
| Reinsurance accounts receivable                                   | 269              | 187                |
| Other assets                                                      | 45,368           | 35,291             |
| Deferred tax assets                                               | 34,002           | 36,918             |
| <b>Total assets</b>                                               | <b>4,163,675</b> | <b>4,523,734</b>   |
| (Liabilities)                                                     |                  |                    |
| <b>Policy liabilities:</b>                                        | <b>3,993,094</b> | <b>4,344,604</b>   |
| Outstanding claims                                                | 10,819           | 8,706              |
| Underwriting reserves                                             | 3,982,275        | 4,335,898          |
| <b>Due to agencies</b>                                            | <b>7,075</b>     | <b>6,426</b>       |
| <b>Reinsurance accounts payable</b>                               | <b>2,552</b>     | <b>2,759</b>       |
| <b>Other liabilities:</b>                                         | <b>31,610</b>    | <b>32,963</b>      |
| Income taxes payable                                              | 1,711            | 862                |
| Lease obligations                                                 | 688              | 609                |
| Asset retirement obligations                                      | 125              | 126                |
| Other liabilities                                                 | 29,085           | 31,365             |
| <b>Reserves under the special laws:</b>                           | <b>40,136</b>    | <b>40,961</b>      |
| Reserve for price fluctuation                                     | 40,136           | 40,961             |
| <b>Total liabilities</b>                                          | <b>4,074,470</b> | <b>4,427,714</b>   |
| (Net assets)                                                      |                  |                    |
| <b>Common stock</b>                                               | <b>41,060</b>    | <b>41,060</b>      |
| <b>Capital surplus</b>                                            | <b>24,735</b>    | <b>24,735</b>      |
| <b>Retained earnings</b>                                          | <b>22,669</b>    | <b>28,856</b>      |
| <b>Total shareholders' equity</b>                                 | <b>88,464</b>    | <b>94,651</b>      |
| <b>Net unrealized gains/(losses) on investments in securities</b> | <b>741</b>       | <b>1,369</b>       |
| <b>Total valuation and translation adjustments</b>                | <b>741</b>       | <b>1,369</b>       |
| <b>Total net assets</b>                                           | <b>89,205</b>    | <b>96,020</b>      |
| <b>Total liabilities and net assets</b>                           | <b>4,163,675</b> | <b>4,523,734</b>   |

**Non-Consolidated Statements of Income**

(Yen in millions)

| Items                                                  | Six months ended<br>September 30, 2013 | Six months ended<br>September 30, 2014 |
|--------------------------------------------------------|----------------------------------------|----------------------------------------|
| <b>Ordinary income:</b>                                | <b>522,169</b>                         | <b>710,190</b>                         |
| <b>Insurance premiums and others:</b>                  | <b>318,085</b>                         | <b>498,975</b>                         |
| Insurance premiums                                     | 316,206                                | 498,084                                |
| <b>Investment income:</b>                              | <b>198,771</b>                         | <b>207,598</b>                         |
| Interest and dividends income                          | 942                                    | 18,831                                 |
| Investment gains on money trusts                       | -                                      | 41,730                                 |
| Gains on sales of securities                           | 0                                      | 1,584                                  |
| Investment gains on separate accounts                  | 197,828                                | 145,451                                |
| <b>Other ordinary income:</b>                          | <b>5,312</b>                           | <b>3,617</b>                           |
| Reversal of outstanding claims                         | 3,870                                  | 2,113                                  |
| <b>Ordinary expenses:</b>                              | <b>499,719</b>                         | <b>699,467</b>                         |
| <b>Insurance claims and others:</b>                    | <b>434,158</b>                         | <b>303,687</b>                         |
| Insurance claims                                       | 26,975                                 | 25,294                                 |
| Annuity payments                                       | 26,459                                 | 30,103                                 |
| Benefits                                               | 92,173                                 | 78,120                                 |
| Surrender benefits                                     | 273,667                                | 152,870                                |
| Other refunds                                          | 739                                    | 1,316                                  |
| <b>Provision for underwriting reserves and others:</b> | <b>7,235</b>                           | <b>353,623</b>                         |
| Provision for underwriting reserves                    | 7,235                                  | 353,623                                |
| <b>Investment expenses:</b>                            | <b>32,517</b>                          | <b>3,954</b>                           |
| Interest expense                                       | 0                                      | 0                                      |
| Investment losses on money trusts                      | 31,683                                 | -                                      |
| Losses on derivative transactions                      | -                                      | 165                                    |
| <b>Operating expenses</b>                              | <b>23,244</b>                          | <b>33,624</b>                          |
| <b>Other ordinary expenses</b>                         | <b>2,563</b>                           | <b>4,579</b>                           |
| <b>Ordinary profit</b>                                 | <b>22,449</b>                          | <b>10,723</b>                          |
| <b>Extraordinary income</b>                            | <b>-</b>                               | <b>-</b>                               |
| <b>Extraordinary losses</b>                            | <b>516</b>                             | <b>836</b>                             |
| <b>Income before income taxes</b>                      | <b>21,933</b>                          | <b>9,886</b>                           |
| <b>Income taxes - current</b>                          | <b>9,251</b>                           | <b>4,895</b>                           |
| <b>Income taxes - deferred</b>                         | <b>(1,825)</b>                         | <b>(3,195)</b>                         |
| <b>Total income taxes</b>                              | <b>7,425</b>                           | <b>1,700</b>                           |
| <b>Net income</b>                                      | <b>14,507</b>                          | <b>8,186</b>                           |

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

## (1) Policies in force

(Yen in millions)

|                      | March 31, 2014                       |           | September 30, 2014                   |           |
|----------------------|--------------------------------------|-----------|--------------------------------------|-----------|
|                      | Number of policies<br>(in thousands) | Amount    | Number of policies<br>(in thousands) | Amount    |
| Individual insurance | 175                                  | 1,073,428 | 242                                  | 1,443,398 |
| Individual annuities | 365                                  | 2,950,965 | 355                                  | 2,922,650 |
| 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)

|                      | Six months ended September 30, 2013     |         |              |                               | Six months ended September 30, 2014     |         |              |                               |
|----------------------|-----------------------------------------|---------|--------------|-------------------------------|-----------------------------------------|---------|--------------|-------------------------------|
|                      | Number of<br>policies<br>(in thousands) | Amount  | New policies | Net increase<br>by conversion | Number of<br>policies<br>(in thousands) | Amount  | New policies | Net increase<br>by conversion |
| Individual insurance | 42                                      | 227,272 | 227,272      | -                             | 74                                      | 402,982 | 402,982      | -                             |
| Individual annuities | 12                                      | 75,013  | 75,013       | -                             | 14                                      | 81,690  | 81,690       | -                             |
| 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 | September 30, 2014 |
|--------------------------------------------|----------------|--------------------|
| Individual insurance                       | 70,148         | 93,847             |
| Individual annuities                       | 384,155        | 375,567            |
| Total:                                     | 454,303        | 469,415            |
| Medical coverage,<br>living benefits, etc. | 105            | 107                |

## (2) New policies

(Yen in millions)

|                                            | Six months ended<br>September 30, 2013 | Six months ended<br>September 30, 2014 |
|--------------------------------------------|----------------------------------------|----------------------------------------|
| Individual insurance                       | 14,900                                 | 26,585                                 |
| Individual annuities                       | 56,266                                 | 61,017                                 |
| Total:                                     | 71,167                                 | 87,603                                 |
| Medical coverage,<br>living benefits, etc. | -                                      | -                                      |

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

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

**Non-Consolidated Business Performance**

(Yen in millions)

|                                                         | Six months ended<br>September 30, 2013 | Six months ended<br>September 30, 2014 | Change   |
|---------------------------------------------------------|----------------------------------------|----------------------------------------|----------|
| Fundamental revenues:                                   | 540,805                                | 696,097                                | 155,292  |
| Insurance premiums and others                           | 318,085                                | 498,975                                | 180,890  |
| Fundamental expenses                                    | 510,641                                | 688,683                                | 178,042  |
| Fundamental profit                                      | 30,163                                 | 7,413                                  | (22,749) |
| Capital gains/(losses)                                  | (5,591)                                | 10,277                                 | 15,869   |
| Non-recurring gains/(losses)                            | (2,121)                                | (6,968)                                | (4,846)  |
| Ordinary profit                                         | 22,449                                 | 10,723                                 | (11,726) |
| Extraordinary income                                    | -                                      | -                                      | -        |
| Extraordinary losses                                    | 516                                    | 836                                    | 320      |
| Provision for reserve for dividends to<br>policyholders | -                                      | -                                      | -        |
| Income taxes                                            | 7,425                                  | 1,700                                  | (5,725)  |
| Net income                                              | 14,507                                 | 8,186                                  | (6,321)  |

**Non-Consolidated Solvency Margin Ratio**

(Yen in millions)

|                                                                              | March 31, 2014 | September 30, 2014 |
|------------------------------------------------------------------------------|----------------|--------------------|
| (A) Total amount of solvency margin                                          | 347,258        | 345,926            |
| Total capital                                                                | 86,464         | 94,651             |
| Reserve for price fluctuation                                                | 40,136         | 40,961             |
| Contingency reserve                                                          | 64,460         | 71,428             |
| General bad debt reserve                                                     | -              | -                  |
| Net unrealized gains/(losses) on investments in securities x 90%             | 963            | 1,780              |
| Net unrealized gains/(losses) on land x 85%                                  | -              | -                  |
| Excess of continued Zillmerized reserve (a)                                  | 146,219        | 124,451            |
| Subordinated debts, etc. (b)                                                 | -              | -                  |
| Amount excluded from the margin, out of (a) and (b)                          | -              | -                  |
| Brought in capital                                                           | -              | -                  |
| Deductions                                                                   | -              | -                  |
| Others                                                                       | 9,013          | 12,653             |
| (B) Total amount of risks $\sqrt{(R_1 + R_8)^2 + (R_2 + R_3 + R_7)^2} + R_4$ | 69,128         | 77,782             |
| Insurance risk ( $R_1$ )                                                     | 62             | 59                 |
| Insurance risk of third sector insurance contracts ( $R_8$ )                 | 13             | 12                 |
| Assumed interest rate risk ( $R_2$ )                                         | 26,207         | 32,327             |
| Minimum guarantee risk ( $R_7$ )                                             | 11,581         | 8,838              |
| Asset management risk ( $R_3$ )                                              | 29,982         | 35,090             |
| Business administration risk ( $R_4$ )                                       | 1,356          | 1,526              |
| (C) Solvency margin ratio<br>[(A) / {(B) x 1/2}] x 100                       | 1,004.6 %      | 889.4 %            |

### 3. Supplementary Information on Business Results for the Six Months Ended September 30, 2014 for Press Conference

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

##### 1. Basic Information

(Yen in 100 millions)

|   |                                | Six months ended<br>September 30, 2013<br>(A) | Year ended<br>March 31, 2014<br>(B) | Six months ended<br>September 30, 2014<br>(C) | Change<br>(C) - (B) | Change<br>(C) - (A) |
|---|--------------------------------|-----------------------------------------------|-------------------------------------|-----------------------------------------------|---------------------|---------------------|
| 1 | Net premiums written           | 7,007                                         | 13,845                              | 7,291                                         | -                   | 284                 |
|   | Change ratio                   | 5.0 %                                         | 5.3 %                               | 4.1 %                                         | (1.2)%              | (0.9)%              |
| 2 | Total assets                   | 61,766                                        | 60,980                              | 63,432                                        | 2,452               | 1,665               |
| 3 | Net loss ratio                 | 63.9 %                                        | 65.1 %                              | 61.5 %                                        | (3.6)%              | (2.4)%              |
| 4 | Net expense ratio              | 31.2 %                                        | 32.0 %                              | 31.5 %                                        | (0.5)%              | 0.3 %               |
| 5 | Combined ratio                 | 95.1 %                                        | 97.1 %                              | 93.0 %                                        | (4.1)%              | (2.1)%              |
|   | Underwriting result ratio      | 4.9 %                                         | 2.9 %                               | 7.0 %                                         | 4.1 %               | 2.1 %               |
| 6 | Voluntary automobile insurance |                                               |                                     |                                               |                     |                     |
|   | Net premiums written           | 3,047                                         | 6,083                               | 3,139                                         | -                   | 92                  |
|   | Change ratio                   | 2.9 %                                         | 3.0 %                               | 3.0 %                                         | -                   | 0.1 %               |
|   | Underwriting result ratio      | 6.1 %                                         | 4.7 %                               | 8.6 %                                         | 3.9 %               | 2.5 %               |
|   | Net loss ratio                 | 62.9 %                                        | 63.5 %                              | 59.2 %                                        | (4.3)%              | (3.7)%              |
|   | Net expense ratio              | 31.0 %                                        | 31.8 %                              | 32.2 %                                        | 0.4 %               | 1.2 %               |
| 7 | Fire and allied insurance      |                                               |                                     |                                               |                     |                     |
|   | Net premiums written           | 1,053                                         | 2,122                               | 1,069                                         | -                   | 15                  |
|   | Change ratio                   | 14.6 %                                        | 13.0 %                              | 1.5 %                                         | (11.5)%             | (13.1)%             |
|   | Underwriting result ratio      | (9.9)%                                        | (11.4)%                             | (19.6)%                                       | (8.2)%              | (9.7)%              |
|   | Net loss ratio                 | 70.5 %                                        | 70.9 %                              | 79.2 %                                        | 8.3 %               | 8.7 %               |
|   | Net expense ratio              | 39.4 %                                        | 40.5 %                              | 40.4 %                                        | (0.1)%              | 1.0 %               |
| 8 | Number of employees            | 14,391                                        | 14,188                              | 15,002                                        | 814                 | 611                 |
| 9 | Number of agencies             | 40,274                                        | 39,859                              | 40,215                                        | 356                 | (59)                |

(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)

|   |                         | Six months ended<br>September 30, 2013<br>(A) | Year ended<br>March 31, 2014<br>(B) | Six months ended<br>September 30, 2014<br>(C) | Change<br>(C) - (B) | Change<br>(C) - (A) |
|---|-------------------------|-----------------------------------------------|-------------------------------------|-----------------------------------------------|---------------------|---------------------|
| 1 | Ordinary income         | 20,704                                        | 43,607                              | 24,417                                        | -                   | 3,712               |
| 2 | Net premiums written    | 14,241                                        | 28,095                              | 14,863                                        | -                   | 621                 |
|   | Change ratio            | 6.2 %                                         | 6.4 %                               | 4.4 %                                         | (2.0)%              | (1.8)%              |
| 3 | Life insurance premiums | 1,827                                         | 6,789                               | 4,968                                         | -                   | 3,141               |
|   | Change ratio            | (45.9)%                                       | 19.3 %                              | 171.9 %                                       | 152.6 %             | 217.8 %             |
| 4 | Ordinary profit/(loss)  | 1,630                                         | 1,902                               | 1,580                                         | -                   | (50)                |
| 5 | Net income/(loss)       | 1,095                                         | 934                                 | 1,096                                         | -                   | 1                   |

(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.

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

## 2. Other Information

### (a) Non-performing assets

#### Risk-monitored loans

(Yen in 100 millions)

|                                        | September 30, 2013 | March 31, 2014 | September 30, 2014 |
|----------------------------------------|--------------------|----------------|--------------------|
| Loans to borrowers in bankruptcy       | 0                  | 0              | 0                  |
| Overdue loans                          | 29                 | 27             | 7                  |
| Loans overdue for three months or more | 6                  | 5              | 5                  |
| Restructured loans                     | 29                 | 28             | 27                 |
| Total                                  | 64                 | 61             | 39                 |
| Ratio to total loans                   | 1.1 %              | 1.1 %          | 0.8 %              |

|                         |       |       |       |
|-------------------------|-------|-------|-------|
| (Reference) Total loans | 5,673 | 5,382 | 5,144 |
|-------------------------|-------|-------|-------|

#### Results of self-assessment of assets

(Yen in 100 millions)

|                               | September 30, 2013 | March 31, 2014 | September 30, 2014 |
|-------------------------------|--------------------|----------------|--------------------|
| Non-classified                | 60,173             | 59,149         | 61,654             |
| Category II                   | 1,428              | 1,641          | 1,614              |
| Category III                  | 136                | 162            | 133                |
| Category IV                   | 38                 | 61             | 67                 |
| Subtotal (Categories II - IV) | 1,603              | 1,865          | 1,815              |
| Total                         | 61,777             | 61,015         | 63,469             |

(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 six months ended September 30, 2013: ¥1.1 billion (excluding impairment losses on fixed assets of ¥0.2 billion for the first quarter)

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)

### (b) Impairment losses on securities

(Yen in 100 millions)

|                    | Six months ended<br>September 30, 2013 | Year ended<br>March 31, 2014 | Six months ended<br>September 30, 2014 |
|--------------------|----------------------------------------|------------------------------|----------------------------------------|
| Domestic bonds     | -                                      | -                            | -                                      |
| Stock              | 6                                      | 2                            | 0                                      |
| Foreign securities | 4                                      | 30                           | 36                                     |
| Other securities   | -                                      | -                            | 0                                      |
| Total              | 10                                     | 33                           | 36                                     |

#### 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)

|           | Six months ended<br>September 30, 2013 | Year ended<br>March 31, 2014 | Six months ended<br>September 30, 2014 |
|-----------|----------------------------------------|------------------------------|----------------------------------------|
| Land      | 1                                      | 1                            | 10                                     |
| Buildings | 1                                      | 1                            | 3                                      |
| Others    | -                                      | -                            | -                                      |
| Total     | 2                                      | 2                            | 14                                     |

### (d) Unrealized gains and losses on investments in securities

(Yen in 100 millions)

|                    | September 30, 2013 | March 31, 2014 | September 30, 2014 |
|--------------------|--------------------|----------------|--------------------|
| Domestic bonds     | 823                | 855            | 1,002              |
| Stock              | 10,976             | 10,581         | 12,141             |
| Foreign securities | 150                | 179            | 230                |
| Other securities   | 65                 | 43             | 46                 |
| Total              | 12,014             | 11,659         | 13,420             |

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

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

**Mitsui Sumitomo Insurance Co., Ltd. (Non-consolidated)**
**(e) Losses caused by natural disasters in Japan** (Yen in 100 millions)

|                                | Six months ended<br>September 30, 2013 | Year ended<br>March 31, 2014 | Six months ended<br>September 30, 2014 |
|--------------------------------|----------------------------------------|------------------------------|----------------------------------------|
| Direct claims paid             | 29                                     | 191                          | 37                                     |
| Net claims paid                | 28                                     | 182                          | 36                                     |
| Movement in outstanding claims | 110                                    | 37                           | 60                                     |

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

Net claims paid including claims in previous years (including the Great East Japan Earthquake and excluding heavy snowfall disaster in February, 2014) are ¥8.1 billion for the six months ended September 30, 2013, ¥24.7 billion for the year ended March 31, 2014 and ¥7.3 billion for the six months ended September 30, 2014.

**(f) Catastrophe reserve** (Yen in 100 millions)

| Lines of insurance   | September 30, 2013 |               |           | March 31, 2014 |               |           | September 30, 2014 |               |           |
|----------------------|--------------------|---------------|-----------|----------------|---------------|-----------|--------------------|---------------|-----------|
|                      | Balance            | Reserve Ratio | Provision | Balance        | Reserve Ratio | Provision | Balance            | Reserve Ratio | Provision |
| Fire and allied      | 1,112              | 53.0 %        | 95        | 1,005          | 47.5 %        | 191       | 924                | 43.4 %        | 96        |
| Marine               | 681                | 117.6 %       | 13        | 693            | 122.3 %       | 25        | 708                | 111.0 %       | 14        |
| Personal accident    | 649                | 42.7 %        | 23        | 621            | 43.0 %        | 45        | 642                | 41.0 %        | 24        |
| Voluntary automobile | 101                | 1.7 %         | 97        | 194            | 3.2 %         | 194       | 273                | 4.4 %         | 100       |
| Other                | 1,430              | 70.7 %        | 56        | 1,470          | 77.8 %        | 101       | 1,527              | 71.2 %        | 60        |
| Total                | 3,974              | 32.3 %        | 286       | 3,985          | 32.9 %        | 558       | 4,076              | 31.9 %        | 296       |

(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

The calculation for the reserve ratio as of September 30 has been made using twice the net premiums written for the six months ended September 30 as a denominator.

2. Provision = gross provision

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

|                 | Year ended<br>March 31, 2014 | Six months ended<br>September 30, 2014 | Accumulated total up to<br>September 30, 2014 |
|-----------------|------------------------------|----------------------------------------|-----------------------------------------------|
| Net claims paid | 86                           | 349                                    | 435                                           |
| Incurred losses | 454                          | 13                                     | 468                                           |

(Notes) 1. "Accumulated total up to September 30, 2014" is the accumulated amount from February, 2014 to September 30, 2014.

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

**(h) Reinsurance assumed** (Yen in 100 millions)

| Lines of insurance              | Six months ended<br>September 30, 2013      |                                        | Six months ended<br>September 30, 2014      |                                        |
|---------------------------------|---------------------------------------------|----------------------------------------|---------------------------------------------|----------------------------------------|
|                                 | Net reinsurance assumed<br>premiums written | Net reinsurance assumed<br>claims paid | Net reinsurance assumed<br>premiums written | Net reinsurance assumed<br>claims paid |
| Fire and allied                 | 224                                         | 201                                    | 231                                         | 148                                    |
| Marine                          | 64                                          | 44                                     | 69                                          | 29                                     |
| Personal accident               | 4                                           | 4                                      | 3                                           | 4                                      |
| Voluntary automobile            | 10                                          | 6                                      | 31                                          | 8                                      |
| Compulsory automobile liability | 634                                         | 672                                    | 699                                         | 674                                    |
| Other                           | 95                                          | 33                                     | 85                                          | 20                                     |
| Total                           | 1,033                                       | 962                                    | 1,121                                       | 886                                    |

**(i) Reinsurance ceded** (Yen in 100 millions)

| Lines of insurance              | Six months ended<br>September 30, 2013    |                                      | Six months ended<br>September 30, 2014    |                                      |
|---------------------------------|-------------------------------------------|--------------------------------------|-------------------------------------------|--------------------------------------|
|                                 | Net reinsurance ceded<br>premiums written | Net reinsurance ceded<br>claims paid | Net reinsurance ceded<br>premiums written | Net reinsurance ceded<br>claims paid |
| Fire and allied                 | 516                                       | 338                                  | 553                                       | 97                                   |
| Marine                          | 168                                       | 145                                  | 177                                       | 72                                   |
| Personal accident               | 42                                        | 22                                   | 40                                        | 16                                   |
| Voluntary automobile            | 20                                        | 8                                    | 36                                        | 22                                   |
| Compulsory automobile liability | 640                                       | 655                                  | 630                                       | 653                                  |
| Other                           | 184                                       | 99                                   | 209                                       | 69                                   |
| Total                           | 1,573                                     | 1,268                                | 1,647                                     | 931                                  |

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

**1. Basic Information**

(Yen in 100 millions)

|   |                                | Six months ended<br>September 30, 2013<br>(A) | Year ended<br>March 31, 2014<br>(B) | Six months ended<br>September 30, 2014<br>(C) | Change<br>(C) - (B) | Change<br>(C) - (A) |
|---|--------------------------------|-----------------------------------------------|-------------------------------------|-----------------------------------------------|---------------------|---------------------|
| 1 | Net premiums written           | 5,775                                         | 11,446                              | 5,836                                         | -                   | 61                  |
|   | Change ratio                   | 3.9 %                                         | 3.8 %                               | 1.1 %                                         | (2.7)%              | (2.8)%              |
| 2 | Total assets                   | 32,614                                        | 32,571                              | 33,031                                        | 460                 | 417                 |
| 3 | Net loss ratio                 | 62.8 %                                        | 65.0 %                              | 63.4 %                                        | (1.6)%              | 0.6 %               |
| 4 | Net expense ratio              | 33.8 %                                        | 34.5 %                              | 34.9 %                                        | 0.4 %               | 1.1 %               |
| 5 | Combined ratio                 | 96.6 %                                        | 99.5 %                              | 98.3 %                                        | (1.2)%              | 1.7 %               |
|   | Underwriting result ratio      | 3.4 %                                         | 0.5 %                               | 1.7 %                                         | 1.2 %               | (1.7)%              |
| 6 | Voluntary automobile insurance |                                               |                                     |                                               |                     |                     |
|   | Net premiums written           | 3,318                                         | 6,589                               | 3,337                                         | -                   | 19                  |
|   | Change ratio                   | 2.5 %                                         | 2.2 %                               | 0.6 %                                         | (1.6)%              | (1.9)%              |
|   | Underwriting result ratio      | 5.5 %                                         | 3.3 %                               | 6.7 %                                         | 3.4 %               | 1.2 %               |
|   | Net loss ratio                 | 62.0 %                                        | 63.2 %                              | 59.3 %                                        | (3.9)%              | (2.7)%              |
|   | Net expense ratio              | 32.5 %                                        | 33.5 %                              | 34.0 %                                        | 0.5 %               | 1.5 %               |
| 7 | Fire and allied insurance      |                                               |                                     |                                               |                     |                     |
|   | Net premiums written           | 672                                           | 1,357                               | 661                                           | -                   | (10)                |
|   | Change ratio                   | 11.3 %                                        | 7.4 %                               | (1.6)%                                        | (9.0)%              | (12.9)%             |
|   | Underwriting result ratio      | (4.3)%                                        | (10.9)%                             | (30.9)%                                       | (20.0)%             | (26.6)%             |
|   | Net loss ratio                 | 58.6 %                                        | 64.8 %                              | 83.3 %                                        | 18.5 %              | 24.7 %              |
|   | Net expense ratio              | 45.7 %                                        | 46.1 %                              | 47.6 %                                        | 1.5 %               | 1.9 %               |
| 8 | Number of employees            | 13,044                                        | 12,812                              | 13,120                                        | 308                 | 76                  |
| 9 | Number of agencies             | 49,923                                        | 49,766                              | 49,827                                        | 61                  | (96)                |

(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 35.

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

### 2. Other Information

#### (a) Non-performing assets

##### Risk-monitored loans

(Yen in 100 millions)

|                                        | September 30, 2013 | March 31, 2014 | September 30, 2014 |
|----------------------------------------|--------------------|----------------|--------------------|
| Loans to borrowers in bankruptcy       | 0                  | 0              | 0                  |
| Overdue loans                          | 7                  | 5              | 5                  |
| Loans overdue for three months or more | 5                  | 7              | 3                  |
| Restructured loans                     | 19                 | 18             | 17                 |
| Total                                  | 32                 | 32             | 27                 |
| Ratio to total loans                   | 1.5 %              | 1.5 %          | 1.3 %              |

|                         |       |       |       |
|-------------------------|-------|-------|-------|
| (Reference) Total loans | 2,246 | 2,200 | 2,173 |
|-------------------------|-------|-------|-------|

##### Results of self-assessment of assets

(Yen in 100 millions)

|                               | September 30, 2013 | March 31, 2014 | September 30, 2014 |
|-------------------------------|--------------------|----------------|--------------------|
| Non-classified                | 31,626             | 31,626         | 32,552             |
| Category II                   | 231                | 218            | 206                |
| Category III                  | 3                  | 2              | 1                  |
| Category IV                   | 46                 | 51             | 38                 |
| Subtotal (Categories II - IV) | 282                | 272            | 245                |
| Total                         | 31,909             | 31,898         | 32,797             |

(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)

|                    | Six months ended<br>September 30, 2013 | Year ended<br>March 31, 2014 | Six months ended<br>September 30, 2014 |
|--------------------|----------------------------------------|------------------------------|----------------------------------------|
| Domestic bonds     | -                                      | -                            | -                                      |
| Stock              | 25                                     | 34                           | 7                                      |
| Foreign securities | 5                                      | 1                            | 1                                      |
| Other securities   | -                                      | -                            | -                                      |
| Total              | 31                                     | 36                           | 8                                      |

##### 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)

|           | Six months ended<br>September 30, 2013 | Year ended<br>March 31, 2014 | Six months ended<br>September 30, 2014 |
|-----------|----------------------------------------|------------------------------|----------------------------------------|
| Land      | 0                                      | 0                            | 4                                      |
| Buildings | 0                                      | 0                            | 10                                     |
| Others    | -                                      | -                            | -                                      |
| Total     | 0                                      | 0                            | 15                                     |

#### (d) Unrealized gains and losses on investments in securities

(Yen in 100 millions)

|                    | September 30, 2013 | March 31, 2014 | September 30, 2014 |
|--------------------|--------------------|----------------|--------------------|
| Domestic bonds     | 300                | 348            | 422                |
| Stock              | 2,494              | 2,478          | 3,082              |
| Foreign securities | 159                | 309            | 533                |
| Other securities   | 48                 | 41             | 60                 |
| Total              | 3,001              | 3,177          | 4,098              |

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

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

**Aioi Nissay Dowa Insurance Co., Ltd. (Non-consolidated)**
**(e) Losses caused by natural disasters in Japan** (Yen in 100 millions)

|                                | Six months ended<br>September 30, 2013 | Year ended<br>March 31, 2014 | Six months ended<br>September 30, 2014 |
|--------------------------------|----------------------------------------|------------------------------|----------------------------------------|
| Direct claims paid             | 23                                     | 141                          | 23                                     |
| Net claims paid                | 22                                     | 137                          | 22                                     |
| Movement in outstanding claims | 68                                     | 14                           | 32                                     |

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

Net claims paid including claims in previous years (excluding heavy snowfall disaster in February, 2014) are ¥3.3 billion for the six months ended September 30, 2013, ¥15.0 billion for the year ended March 31, 2014 and ¥3.4 billion for the six months ended September 30, 2014.

**(f) Catastrophe reserve** (Yen in 100 millions)

| Lines of insurance   | September 30, 2013 |               |           | March 31, 2014 |               |           | September 30, 2014 |               |           |
|----------------------|--------------------|---------------|-----------|----------------|---------------|-----------|--------------------|---------------|-----------|
|                      | Balance            | Reserve Ratio | Provision | Balance        | Reserve Ratio | Provision | Balance            | Reserve Ratio | Provision |
| Fire and allied      | 1,121              | 83.7 %        | 53        | 1,045          | 77.3 %        | 108       | 919                | 69.7 %        | 53        |
| Marine               | 135                | 120.9 %       | 2         | 138            | 123.3 %       | 5         | 140                | 137.6 %       | 2         |
| Personal accident    | 578                | 75.8 %        | 12        | 589            | 81.1 %        | 23        | 601                | 81.6 %        | 11        |
| Voluntary automobile | 107                | 1.6 %         | 107       | 212            | 3.2 %         | 212       | 177                | 2.7 %         | 107       |
| Other                | 521                | 48.2 %        | 28        | 505            | 49.7 %        | 51        | 529                | 46.4 %        | 29        |
| Total                | 2,464              | 24.8 %        | 203       | 2,491          | 25.4 %        | 401       | 2,368              | 23.7 %        | 203       |

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

The calculation for the reserve ratio as of September 30 has been made using twice the net premiums written for the six months ended September 30 as a denominator.

2. Provision = gross provision

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

|                 | Year ended<br>March 31, 2014 | Six months ended<br>September 30, 2014 | Accumulated total up to<br>September 30, 2014 |
|-----------------|------------------------------|----------------------------------------|-----------------------------------------------|
| Net claims paid | 98                           | 238                                    | 336                                           |
| Incurred losses | 367                          | 8                                      | 376                                           |

(Notes) 1. "Accumulated total up to September 30, 2014" is the accumulated amount from February, 2014 to September 30, 2014.

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

**(h) Reinsurance assumed** (Yen in 100 millions)

| Lines of insurance              | Six months ended<br>September 30, 2013      |                                        | Six months ended<br>September 30, 2014      |                                        |
|---------------------------------|---------------------------------------------|----------------------------------------|---------------------------------------------|----------------------------------------|
|                                 | Net reinsurance assumed<br>premiums written | Net reinsurance assumed<br>claims paid | Net reinsurance assumed<br>premiums written | Net reinsurance assumed<br>claims paid |
| Fire and allied                 | 132                                         | 88                                     | 150                                         | 42                                     |
| Marine                          | 22                                          | 13                                     | 23                                          | 9                                      |
| Personal accident               | 10                                          | 5                                      | 12                                          | 6                                      |
| Voluntary automobile            | 107                                         | 75                                     | 115                                         | 75                                     |
| Compulsory automobile liability | 575                                         | 629                                    | 620                                         | 622                                    |
| Other                           | 81                                          | 54                                     | 144                                         | 75                                     |
| Total                           | 929                                         | 867                                    | 1,068                                       | 832                                    |

**(i) Reinsurance ceded** (Yen in 100 millions)

| Lines of insurance              | Six months ended<br>September 30, 2013    |                                      | Six months ended<br>September 30, 2014    |                                      |
|---------------------------------|-------------------------------------------|--------------------------------------|-------------------------------------------|--------------------------------------|
|                                 | Net reinsurance ceded<br>premiums written | Net reinsurance ceded<br>claims paid | Net reinsurance ceded<br>premiums written | Net reinsurance ceded<br>claims paid |
| Fire and allied                 | 439                                       | 66                                   | 485                                       | 137                                  |
| Marine                          | 16                                        | 12                                   | 10                                        | 10                                   |
| Personal accident               | 26                                        | 11                                   | 27                                        | 10                                   |
| Voluntary automobile            | 20                                        | 4                                    | 16                                        | 9                                    |
| Compulsory automobile liability | 681                                       | 721                                  | 669                                       | 731                                  |
| Other                           | 194                                       | 103                                  | 229                                       | 124                                  |
| Total                           | 1,379                                     | 919                                  | 1,438                                     | 1,024                                |

**(Reference)**

**Incurred losses of non-life insurance business (excluding loss adjustment expenses)**

(Yen in 100millions)

|                                                                                                                       |   | Six months ended<br>September 30, 2013 | Six months ended<br>September 30, 2014 | Change |
|-----------------------------------------------------------------------------------------------------------------------|---|----------------------------------------|----------------------------------------|--------|
| Incurred losses:                                                                                                      | 1 | 8,051                                  | 7,933                                  | (117)  |
| Residential earthquake insurance and compulsory automobile liability insurance                                        | 2 | 1,316                                  | 1,287                                  | (28)   |
| Excluding residential earthquake insurance and compulsory automobile liability insurance (sum total of items 5 to 8): | 3 | 6,734                                  | 6,645                                  | (89)   |
| Net claims paid                                                                                                       | 4 | 6,910                                  | 6,974                                  | 63     |
| Natural disasters in Japan (excluding snowfall disasters)                                                             | 5 | 231                                    | 151                                    | (79)   |
| Heavy snowfall disaster in February, 2014                                                                             | 6 | -                                      | 22                                     | 22     |
| Flooding in Thailand                                                                                                  | 7 | (158)                                  | (2)                                    | 155    |
| Others                                                                                                                | 8 | 6,662                                  | 6,473                                  | (188)  |

(Notes) 1. Incurred losses = net claims paid + movement in outstanding claims

2. Amounts of snowfall disasters other than the heavy snowfall disaster in February, 2014 are included in "Others".