

[Attachment]

Explanatory Material for Business Results for the Six Months Ended September 30, 2019

November 19, 2019

MS&AD Insurance Group Holdings, Inc.

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

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1. Summary of Consolidated Business Results

(1) Consolidated Business Results

(Yen in 100 millions)

	Items	Six months ended September 30, 2018	Six months ended September 30, 2019	Change	Change ratio
Net premiums written (non-life insurance) ^(Note 1)	1	18,760	19,268	508	2.7%
Mitsui Sumitomo Insurance ^(Note 1)	2	7,774	8,033	259	3.3
Aioi Nissay Dowa Insurance	3	6,238	6,568	329	5.3
Simple sum	4	14,012	14,602	589	4.2
Mitsui Direct General Insurance	5	182	179	(3)	(1.9)
Overseas insurance subsidiaries	6	4,546	4,478	(67)	(1.5)
Insurance premiums (domestic life insurance)	7	8,105	7,332	(772)	(9.5)
Mitsui Sumitomo Aioi Life Insurance	8	2,474	2,579	104	4.2
Mitsui Sumitomo Primary Life Insurance	9	5,630	4,753	(877)	(15.6)
Ordinary profit	10	753	1,082	329	43.8
Net income attributable to owners of the parent	11	463	1,635	1,172	253.2
Mitsui Sumitomo Insurance	12	606	925	318	52.5
Aioi Nissay Dowa Insurance	13	(196)	110	307	-
Simple sum	14	410	1,036	626	152.5
Mitsui Direct General Insurance	15	8	13	5	62.5
Mitsui Sumitomo Aioi Life Insurance	16	38	51	12	32.7
Mitsui Sumitomo Primary Life Insurance	17	120	113	(6)	(5.5)
Overseas insurance subsidiaries	18	155	301	146	94.3
Others, consolidation adjustments, etc.	19	(269)	119	389	-

(Notes) 1. The figures in the above table are presented as 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 12 to 18 represent the net income or loss on a non-consolidated basis after taking into account the Company's ownership interests in its subsidiaries.

(2) Business Results of Domestic Non-Life Insurance Subsidiaries (Simple Sum of Two Main Consolidated Subsidiaries)

The figures in the table below are presented as followings.

- Simple sum of Mitsui Sumitomo Insurance Co., Ltd. and Aioi Nissay Dowa Insurance Co., Ltd..
- 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.

(Yen in 100 millions)

	Items	Six months ended September 30, 2018	Six months ended September 30, 2019	Change	Change ratio
(+)	Net premiums written	14,012	14,602	589	4.2 %
(-)	Net claims paid	7,617	7,344	(272)	(3.6)
(-)	Loss adjustment expenses	752	766	14	1.9
(-)	Commissions and collection expenses	2,564	2,700	135	5.3
(-)	Operating expenses and general and administrative expenses for underwriting	1,872	1,945	73	3.9
	Underwriting profit before movements in reserves	1,206	1,845	638	52.9
(-)	Movement in outstanding claims	1,530	476	(1,053)	(68.9)
(-)	Movement in ordinary underwriting reserves	212	632	419	197.6
(+)	Other	117	16	(101)	(86.3)
	Underwriting profit/(loss) before movement in catastrophe reserve	(419)	752	1,171	-
(-)	Movement in catastrophe reserve	248	607	358	144.6
	Underwriting profit/(loss)	(667)	145	813	-
(+)	Interest and dividends income	862	860	(1)	(0.2)
(-)	Transfer of investment income on deposit premiums from policyholders	240	235	(5)	(2.2)
	Net interest and dividends income (item 13 - item 14)	622	625	3	0.5
(+)	Gains/(losses) on sales of securities	651	305	(345)	(53.1)
(-)	Impairment losses on securities	23	88	64	276.9
(+)	Other	(38)	(112)	(73)	-
	Investment profit	1,211	730	(480)	(39.7)
(+)	Other ordinary profit/(loss)	(25)	(30)	(5)	-
	Ordinary profit	518	845	326	63.0
(+)	Extraordinary income/(losses):	(46)	(1,140)	(1,094)	-
	Gains/(losses) on reserve for price fluctuation	(29)	731	760	-
	Losses on valuation of shares of subsidiaries and associates	-	(1,863)	(1,863)	-
	Income before income/(loss) taxes	472	(294)	(767)	(162.4)
(-)	Income taxes	62	(1,331)	(1,393)	(2,232.2)
	Net income	410	1,036	626	152.5

Ratios	Net loss ratio	Note 1	28	59.7 %	55.6 %	(4.1) %	
	Net expense ratio	Note 2	29	31.7 %	31.8 %	0.1 %	
	Combined ratio	Note 3	30	91.4 %	87.4 %	(4.0) %	

Incurred losses (including loss adjustment expenses)		Note 4, 5	31	8,521	7,332	(1,189)	(14.0)
	EI loss ratio	Note 4, 6	32	70.4 %	59.2 %	(11.2) %	

- (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. The calculation is exclusive of residential earthquake insurance and CALI*.
* CALI stands for compulsory automobile liability insurance, and the same hereinafter.
5. Incurred losses (including loss adjustment expenses) = net claims paid + loss adjustment expenses + movement in outstanding claims
6. EI loss ratio = incurred losses (including loss adjustment expenses) / earned premiums x 100
Earned premiums are calculated based on unearned premiums (excluding underwriting reserves for natural disasters), premium reserve, etc.

(3) Business Results of Domestic Life Insurance Subsidiaries

1. Mitsui Sumitomo Aioi Life Insurance Co., Ltd.

(Yen in 100 millions)

	Items	Six months ended September 30, 2018	Six months ended September 30, 2019	Change	Change ratio
Amount of new policies ^(Note)	1	17,872	10,645	(7,227)	(40.4) %
Annualized premiums of new policies	2	258	146	(111)	(43.3) %
Amount of policies in force ^(Note)	3	(As of the beginning of the FY2019) 245,331	245,336	(Change from the beginning of the FY2019) 5	0.0 %
Annualized premiums for policies in force	4	(As of the beginning of the FY2019) 4,315	4,486	(Change from the beginning of the FY2019) 171	4.0 %
Insurance premiums	5	2,474	2,579	104	4.2 %
Ordinary profit	6	78	96	18	23.2 %
Extraordinary income/(losses)	7	(6)	(5)	1	-
Net income	8	38	51	12	32.7 %

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

2. Mitsui Sumitomo Primary Life Insurance Co., Ltd.

(Yen in 100 millions)

	Items	Six months ended September 30, 2018	Six months ended September 30, 2019	Change	Change ratio
Amount of new policies ^(Note)	1	5,732	4,795	(936)	(16.3) %
Amount of policies in force ^(Note)	2	(As of the beginning of the FY2019) 66,785	66,968	(Change from the beginning of the FY2019) 183	0.3 %
Insurance premiums	3	5,630	4,753	(877)	(15.6) %
Ordinary profit	4	219	20	(199)	(90.9) %
Extraordinary income/(losses)	5	(54)	135	190	-
Net income	6	120	113	(6)	(5.5) %

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

(4) Business Results of Overseas Insurance Subsidiaries

(Yen in 100 millions)

	Items	Six months ended September 30, 2018	Six months ended September 30, 2019	Change	Change ratio
Net premiums written	1	4,546	4,478	(67)	(1.5)%
Asia	2	939	926	(13)	(1.4)
Europe:	3	3,362	3,319	(42)	(1.3)
MS Amlin	4	3,108	3,061	(47)	(1.5)
Americas	5	244	232	(11)	(4.9)
Net income attributable to owners of the parent	6	155	301	146	94.3
Asia	7	111	93	(17)	(15.8)
Europe:	8	(8)	137	146	-
MS Amlin	9	10	155	145	1,417.9
Americas	10	15	15	(0)	(1.2)
International life insurance	11	37	54	17	47.0

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

The figures in the tables below are presented as 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 Results

(Yen in 100 millions)

	Items	Six months ended September 30, 2018	Six months ended September 30, 2019	Change	Change ratio
(+) Net premiums written	1	7,774	8,033	259	3.3 %
(-) Net claims paid	2	4,190	4,044	(145)	(3.5)
(-) Loss adjustment expenses	3	437	443	5	1.3
(-) Commissions and collection expenses	4	1,356	1,419	62	4.6
(-) Operating expenses and general and administrative expenses for underwriting	5	1,027	1,019	(8)	(0.8)
Underwriting profit before movements in reserves	6	761	1,106	345	45.3
(-) Movement in outstanding claims	7	728	334	(394)	(54.1)
(-) Movement in ordinary underwriting reserves	8	70	256	186	264.8
(+) Other	9	28	21	(7)	(25.6)
Underwriting profit/(loss) before movement in catastrophe reserve	10	(9)	536	546	-
(-) Movement in catastrophe reserve	11	153	310	157	102.1
Underwriting profit/(loss)	12	(163)	226	389	-
(+) Interest and dividends income	13	577	559	(17)	(3.1)
(-) Transfer of investment income on deposit premiums from policyholders	14	159	155	(4)	(2.7)
Net interest and dividends income (item 13 - item 14)	15	417	403	(13)	(3.2)
(+) Gains/(losses) on sales of securities	16	582	210	(371)	(63.8)
(-) Impairment losses on securities	17	19	50	31	158.8
(+) Other	18	12	(59)	(71)	(590.1)
Investment profit	19	991	504	(487)	(49.1)
(+) Other ordinary profit/(loss)	20	(35)	(41)	(6)	-
Ordinary profit	21	793	688	(104)	(13.2)
(+) Extraordinary income/(losses):	22	(19)	(1,127)	(1,107)	-
Gains/(losses) on reserve for price fluctuation	23	(20)	740	760	-
Losses on valuation of shares of subsidiaries and associates	24	-	(1,863)	(1,863)	-
Income/(loss) before income taxes	25	773	(438)	(1,211)	(156.7)
(-) Income taxes	26	166	(1,364)	(1,530)	(918.9)
Net income	27	606	925	318	52.5

Ratios	Net loss ratio	Note 1	28	59.5 %	55.9 %	(3.6) %	
	Net expense ratio	Note 2	29	30.7 %	30.4 %	(0.3) %	
	Combined ratio	Note 3	30	90.2 %	86.3 %	(3.9) %	

Incurred losses (including loss adjustment expenses)		Note 4, 5	31	4,607	4,140	(467)	(10.1)
EI loss ratio		Note 4, 6	32	67.8 %	59.7 %	(8.1) %	

(Notes) 1. Net loss ratio = (net claims paid + loss adjustment expenses) / net premiums written x 100

2. Net expense ratio = (commissions and collection expenses + operating expenses and general and administrative expenses for underwriting) / net premiums written x 100

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

4. The calculation is exclusive of residential earthquake insurance and CALI.

5. Incurred losses (including loss adjustment expenses) = net claims paid + loss adjustment expenses + movement in outstanding claims

6. EI loss ratio = incurred losses (including loss adjustment expenses) / earned premiums x 100

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

(2) Premiums written

(Yen in 100 millions)

	Net premiums written				Direct premiums written (excluding deposit premiums from policyholders)			
	Six months ended September 30, 2018		Six months ended September 30, 2019		Six months ended September 30, 2018		Six months ended September 30, 2019	
	Amount	Change ratio	Amount	Change ratio	Amount	Change ratio	Amount	Change ratio
Fire and allied	1,019	(3.2)	1,146	12.5	1,519	7.5	1,733	14.0
Marine	321	3.8	319	(0.7)	442	4.6	467	5.6
Personal accident	794	2.4	769	(3.2)	844	1.9	823	(2.4)
Voluntary automobile	3,314	(0.9)	3,371	1.7	3,337	(0.6)	3,392	1.7
CALI	885	(9.6)	949	7.3	827	(4.0)	878	6.2
Other	1,439	6.3	1,477	2.7	1,656	6.5	1,712	3.4
Total	7,774	(0.5)	8,033	3.3	8,628	2.2	9,008	4.4

(3) Net claims paid

(Yen in 100 millions)

	Six months ended September 30, 2018			Six months ended September 30, 2019			
	Amount	Change ratio	Net loss ratio	Amount	Change ratio	Net loss ratio	Change
		%	%		%	%	%
Fire and allied	784	52.7	79.1	632	(19.4)	57.6	(21.5)
Marine	144	(2.6)	47.2	155	8.0	51.1	3.9
Personal accident	352	2.8	48.9	344	(2.4)	49.0	0.1
Voluntary automobile	1,662	3.9	58.4	1,659	(0.2)	57.5	(0.9)
CALI	669	(1.4)	83.3	626	(6.4)	72.8	(10.5)
Other	577	8.8	42.2	627	8.7	44.6	2.4
Total	4,190	9.8	59.5	4,044	(3.5)	55.9	(3.6)

(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, 2018			Six months ended September 30, 2019		
	Incurred losses	Net claims paid	Outstanding claims	Incurred losses	Net claims paid	Outstanding claims
Fire and allied	728	227	500	341	20	320
Voluntary automobile	50	41	8	24	12	11
Other	81	14	67	30	1	29
Total	860	283	577	396	33	362

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

(4) Expenses

<Company expenses>

(Yen in 100 millions)

	Items	Six months ended September 30, 2018			Six months ended September 30, 2019		
		Amount	Change	Change ratio	Amount	Change	Change ratio
				%			%
Personnel expenses	1	843	(7)	(0.9)	827	(16)	(1.9)
Non-personnel expenses	2	615	39	6.8	628	13	2.1
Taxes and contributions	3	64	0	0.4	65	0	1.1
Total	4	1,524	32	2.2	1,521	(2)	(0.2)

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

<Expenses for underwriting>

(Yen in 100 millions)

	Items	Six months ended September 30, 2018			Six months ended September 30, 2019		
		Amount	Change	Change ratio	Amount	Change	Change ratio
				%			%
Operating expenses and general and administrative expenses	5	1,027	27	2.7	1,019	(8)	(0.8)
Commissions and collection expenses	6	1,356	25	1.9	1,419	62	4.6
Total	7	2,384	52	2.3	2,438	54	2.3
Net expense ratio	8	30.7 %	0.9 %		30.4 %	(0.3) %	

(5) Outstanding claims

(Yen in 100 millions)

	September 30, 2018		September 30, 2019	
	Balance	Movement	Balance	Movement
Fire and allied	1,579	597	1,242	144
Marine	316	25	350	47
Personal accident	442	(21)	424	(6)
Voluntary automobile	2,605	14	2,522	12
CALI	486	(19)	464	(8)
Other	1,715	132	1,758	144
Total	7,145	728	6,762	334

(Note) Movement for the six months ended September 30, 2019 is not consistent with the change from the balance on March 31, 2019 mainly due to the effect of transfer long-term third sector insurance contracts to Mitsui Sumitomo Aioi Life Insurance Co., Ltd.

(6) Incurred losses (including loss adjustment expenses) and EI loss ratio

(Yen in 100 millions)

	Six months ended September 30, 2018		Six months ended September 30, 2019			
	Incurred losses (including loss adjustment expenses)	EI loss ratio	Incurred losses (including loss adjustment expenses)	Change	EI loss ratio	Change
		%			%	%
Fire and allied	1,371	118.6	805	(566)	67.7	(50.9)
Marine	177	54.7	211	34	66.8	12.1
Personal accident	367	51.4	370	2	51.8	0.4
Voluntary automobile	1,950	58.7	1,950	(0)	58.3	(0.4)
Other	740	57.7	803	62	58.9	1.2
Total	4,607	67.8	4,140	(467)	59.7	(8.1)

(Notes) 1. The calculation is exclusive of residential earthquake insurance and CALI.

2. Incurred losses (including loss adjustment expenses) = net claims paid + loss adjustment expenses + movement in outstanding claims

3. EI loss ratio = incurred losses (including loss adjustment expenses) / earned premiums x 100

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

(7) Underwriting reserves

(Yen in 100 millions)

		September 30, 2019				
		Total underwriting reserves	Ordinary underwriting reserves	Reserve for refunds and dividends to policyholders	Catastrophe reserve	Contingency reserve
Fire and allied	Balance	7,951	6,216	731	1,003	0
	Movement	(85)	(43)	(156)	113	0
Marine	Balance	1,103	282	-	821	-
	Movement	28	20	-	8	-
Personal accident	Balance	10,976	579	9,600	796	0
	Movement	(73)	54	(152)	24	0
Voluntary automobile	Balance	3,003	2,023	-	979	0
	Movement	132	24	-	108	0
CALI	Balance	2,723	2,723	-	-	-
	Movement	125	125	-	-	-
Other	Balance	5,323	2,817	570	1,935	0
	Movement	126	74	(5)	56	0
Total	Balance	31,080	14,642	10,902	5,535	1
	Movement	253	256	(313)	310	0

(Notes) 1. Reserves for residential earthquake insurance and CALI are included in ordinary underwriting reserves.

2. Movement of Ordinary underwriting reserves, Reserve for refunds and dividends to policyholders, and Total underwriting reserves is mainly due to the effect of transfer the long-term third sector insurance contracts to Mitsui Sumitomo Aioi Life Insurance Co., Ltd.

(8) Catastrophe reserve

(Yen in 100 millions)

	March 31, 2019		September 30, 2019			
	Balance	Reserve ratio	Reversal	Provision	Balance	Reserve ratio
		%				%
Fire and allied	890	44.9	-	113	1,003	43.8
Marine	813	130.6	-	8	821	128.4
Personal accident	771	51.0	-	24	796	51.7
Voluntary automobile	871	13.3	-	108	979	14.5
Other	1,878	70.9	0	57	1,935	65.5
Total	5,224	39.2	0	311	5,535	39.1

(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
Reserve ratio for September 30, 2018 is calculated on an annualized basis using net premiums written multiplied by two as a denominator.

(9) Investment assets

(Yen in 100 millions)

	March 31, 2019	September 30, 2019	
			Change
Cash, deposits and savings	4,759	5,328	568
Investments in securities:	53,998	52,586	(1,412)
Domestic bonds	16,230	16,203	(27)
Domestic stocks	17,288	16,983	(304)
Foreign securities	20,034	18,837	(1,197)
Other securities	444	562	117
Loans	3,962	3,879	(83)
Land and buildings	1,937	1,920	(17)
Total	64,659	63,714	(944)

(Reference)

Long-term investment assets	11,213	10,900	(313)
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(Reference) Breakdown of domestic bonds

(Yen in 100 millions)

	March 31, 2019	September 30, 2019	
			Change
Government bonds	9,798	9,754	(44)
Municipal bonds	874	890	15
Corporate bonds:	5,556	5,558	1
Government agency bonds	941	898	(42)
Specific financial institution bonds	-	8	8
Other corporate bonds	4,615	4,651	36
Total	16,230	16,203	(27)

(10) Breakdown of interest and dividends income

(Yen in 100 millions)

	Six months ended September 30, 2018	Six months ended September 30, 2019	
			Change
Investments in securities:	520	505	(15)
Domestic bonds	89	82	(7)
Domestic stocks	257	248	(8)
Foreign securities	152	166	14
Other securities	21	7	(13)
Loans	17	15	(2)
Land and buildings	32	32	(0)
Other	6	6	0
Total	577	559	(17)

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

(Yen in 100 millions)

September 30, 2019	Cost	Fair value	Difference	Change from March 31, 2019
Domestic bonds	14,568	16,203	1,634	71
Domestic stocks	6,119	16,588	10,469	(85)
Foreign securities	5,304	5,503	198	76
Other securities	317	356	39	10
Total	26,310	38,651	12,341	73

(Yen in 100 millions)

March 31, 2019	Cost	Fair value	Difference
Domestic bonds	14,666	16,230	1,563
Domestic stocks	6,338	16,893	10,554
Foreign securities	5,388	5,510	121
Other securities	267	295	28
Total	26,662	38,929	12,267

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

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

Gains and losses on sales of securities

(Yen in 100 millions)

	Six months ended September 30, 2018 Gains/(losses)	Six months ended September 30, 2019 Gains/(losses)	Gains	Losses
Domestic bonds	15	24	24	0
Domestic stocks	568	160	174	14
Foreign securities	(1)	23	23	0
Other securities	-	2	2	0
Total	582	210	225	14

Impairment losses on securities

(Yen in 100 millions)

	Six months ended September 30, 2018	Six months ended September 30, 2019	Change
Domestic bonds	-	-	-
Domestic stocks	19	50	31
Foreign securities	0	0	(0)
Other securities	-	-	-
Total	19	50	31

(Note) Apart from the above, Losses on valuation of shares of subsidiaries and associates of ¥186.3 billion was recorded under Extraordinary losses.

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

(1) Business Results

(Yen in 100 millions)

	Items	Six months ended September 30, 2018	Six months ended September 30, 2019	Change	Change ratio %
(+) Net premiums written	1	6,238	6,568	329	5.3
(-) Net claims paid	2	3,426	3,300	(126)	(3.7)
(-) Loss adjustment expenses	3	314	322	8	2.7
(-) Commissions and collection expenses	4	1,208	1,280	72	6.0
(-) Operating expenses and general and administrative expenses for underwriting	5	844	925	81	9.6
Underwriting profit before movements in reserves	6	445	738	293	65.9
(-) Movement in outstanding claims	7	801	141	(659)	(82.3)
(-) Movement in ordinary underwriting reserves	8	142	375	233	164.4
(+) Other	9	88	(5)	(93)	(105.7)
Underwriting profit/(loss) before movement in catastrophe reserve	10	(409)	215	625	-
(-) Movement in catastrophe reserve	11	94	296	201	213.6
Underwriting profit/(loss)	12	(504)	(80)	423	-
(+) Interest and dividends income	13	285	301	16	5.6
(-) Transfer of investment income on deposit premiums from policyholders	14	80	79	(0)	(1.1)
Net interest and dividends income (item 13 - item 14)	15	204	221	16	8.2
(+) Gains/(losses) on sales of securities	16	69	95	25	37.4
(-) Impairment losses on securities	17	3	37	33	877.6
(+) Other	18	(50)	(53)	(2)	-
Investment profit	19	219	226	6	3.0
(+) Other ordinary profit/(loss)	20	10	11	1	11.6
Ordinary profit/(loss)	21	(274)	156	431	-
(+) Extraordinary income/(losses):	22	(26)	(13)	12	-
Gains/(losses) on reserve for price fluctuation	23	(8)	(8)	0	-
Income/(loss) before income taxes	24	(300)	143	443	-
(-) Income taxes	25	(104)	32	136	-
Net income/(loss)	26	(196)	110	307	-

Ratios	Net loss ratio	Note 1	27	60.0 %	55.2 %	(4.8) %	
	Net expense ratio	Note 2	28	32.9 %	33.6 %	0.7 %	
	Combined ratio	Note 3	29	92.9 %	88.8 %	(4.1) %	

Incurred losses (including loss adjustment expenses)	Note 4, 5	30	3,914	3,192	(722)	(18.4)
	EI loss ratio	Note 4, 6	31	73.9 %	58.6 %	(15.3) %

(Notes) 1. Net loss ratio = (net claims paid + loss adjustment expenses) / net premiums written x 100

2. Net expense ratio = (commissions and collection expenses + operating expenses and general and administrative expenses for underwriting) / net premiums written x 100

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

4. The calculation is exclusive of residential earthquake insurance and CALI.

5. Incurred losses (including loss adjustment expenses) = net claims paid + loss adjustment expenses + movement in outstanding claims

6. EI loss ratio = incurred losses (including loss adjustment expenses) / earned premiums x 100

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

(2) Premiums written

(Yen in 100 millions)

	Net premiums written				Direct premiums written (excluding deposit premiums from policyholders)			
	Six months ended September 30, 2018		Six months ended September 30, 2019		Six months ended September 30, 2018		Six months ended September 30, 2019	
	Amount	Change ratio %	Amount	Change ratio %	Amount	Change ratio %	Amount	Change ratio %
Fire and allied	907	(0.2)	1,084	19.6	1,074	8.5	1,290	20.0
Marine	44	(2.2)	42	(4.7)	0	-	0	750.5
Personal accident	333	3.3	296	(11.1)	345	1.5	313	(9.2)
Voluntary automobile	3,462	(0.2)	3,579	3.4	3,323	(0.5)	3,384	1.8
CALI	795	(10.1)	843	6.0	858	(5.0)	924	7.7
Other	695	4.0	721	3.7	787	3.8	812	3.2
Total	6,238	(1.0)	6,568	5.3	6,389	0.9	6,726	5.3

(3) Net claims paid

(Yen in 100 millions)

	Six months ended September 30, 2018			Six months ended September 30, 2019			
	Amount	Change ratio %	Net loss ratio %	Amount	Change ratio %	Net loss ratio %	Change %
Fire and allied	633	76.8	72.3	531	(16.1)	51.1	(21.2)
Marine	17	20.5	40.3	23	32.5	56.1	15.8
Personal accident	131	(0.8)	43.6	126	(3.6)	47.8	4.2
Voluntary automobile	1,785	6.7	57.6	1,796	0.6	56.2	(1.4)
CALI	576	(2.6)	78.7	534	(7.2)	69.4	(9.3)
Other	281	1.5	43.2	286	2.0	42.4	(0.8)
Total	3,426	12.4	60.0	3,300	(3.7)	55.2	(4.8)

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

(Reference) Incurred losses caused by natural disasters in Japan

(Yen in 100 millions)

	Six months ended September 30, 2018			Six months ended September 30, 2019		
	Incurred losses	Net claims paid	Outstanding claims	Incurred losses	Net claims paid	Outstanding claims
Fire and allied	828	130	697	246	15	231
Voluntary automobile	63	51	11	24	11	12
Other	18	3	14	9	0	9
Total	910	185	724	281	27	253

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

(4) Expenses

<Company expenses>

(Yen in 100 millions)

	Items	Six months ended September 30, 2018			Six months ended September 30, 2019		
		Amount	Change	Change ratio %	Amount	Change	Change ratio %
Personnel expenses	1	622	(17)	(2.8)	637	15	2.4
Non-personnel expenses	2	529	35	7.2	594	64	12.2
Taxes and contributions	3	56	0	0.9	59	2	4.3
Total	4	1,208	17	1.5	1,290	82	6.8

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

<Expenses for underwriting>

(Yen in 100 millions)

	Items	Six months ended September 30, 2018			Six months ended September 30, 2019		
		Amount	Change	Change ratio %	Amount	Change	Change ratio %
Operating expenses and general and administrative expenses	5	844	8	1.0	925	81	9.6
Commissions and collection expenses	6	1,208	(5)	(0.5)	1,280	72	6.0
Total	7	2,052	2	0.1	2,206	153	7.5
Net expense ratio	8	32.9 %	0.4 %		33.6 %	0.7 %	

(5) Outstanding claims

(Yen in 100 millions)

	September 30, 2018		September 30, 2019	
	Balance	Movement	Balance	Movement
Fire and allied	1,672	688	1,212	107
Marine	62	7	80	(5)
Personal accident	261	11	238	7
Voluntary automobile	3,054	47	2,984	8
CALI	424	(19)	400	(11)
Other	1,056	65	1,119	35
Total	6,531	801	6,036	141

(Note) Movement for the six months ended September 30, 2019 is not consistent with the change from the balance on March 31, 2019 due to the effect of transfer the long-term third sector insurance contracts to Mitsui Sumitomo Aioi Life Insurance Co., Ltd.

(6) Incurred losses (including loss adjustment expenses) and EI loss ratio

(Yen in 100 millions)

	Six months ended September 30, 2018		Six months ended September 30, 2019			
	Incurred losses (including loss adjustment expenses)	EI loss ratio	Incurred losses (including loss adjustment expenses)	Change	EI loss ratio	Change
		%			%	%
Fire and allied	1,322	147.1	661	(660)	67.9	(79.2)
Marine	25	69.1	18	(7)	48.7	(20.4)
Personal accident	157	51.5	149	(8)	53.3	1.8
Voluntary automobile	2,042	59.7	2,021	(20)	57.8	(1.9)
Other	366	57.8	341	(25)	52.1	(5.7)
Total	3,914	73.9	3,192	(722)	58.6	(15.3)

(Notes) 1. The calculation is exclusive of residential earthquake insurance and CALI.

2. Incurred losses (including loss adjustment expenses) = net claims paid + loss adjustment expenses + movement in outstanding claims

3. EI loss ratio = incurred losses (including loss adjustment expenses) / earned premiums x 100

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

(7) Underwriting reserves

(Yen in 100 millions)

		September 30, 2019				
		Total underwriting reserves	Ordinary underwriting reserves	Reserve for refunds and dividends to policyholders	Catastrophe reserve	Contingency reserve
Fire and allied	Balance	6,545	5,181	479	880	3
	Movement	196	109	(44)	130	0
Marine	Balance	173	35	-	138	-
	Movement	4	4	-	0	-
Personal accident	Balance	4,091	238	3,148	700	4
	Movement	(52)	17	(79)	9	0
Voluntary automobile	Balance	2,687	2,005	33	647	0
	Movement	198	83	0	114	0
CALI	Balance	2,543	2,543	-	-	-
	Movement	95	95	-	-	-
Other	Balance	2,304	1,374	151	777	0
	Movement	105	65	(0)	40	0
Total	Balance	18,346	11,380	3,813	3,145	8
	Movement	548	375	(123)	296	0

(Notes) 1. Reserves for residential earthquake insurance and CALI are included in ordinary underwriting reserves.

2. Movement of Ordinary underwriting reserves and Total underwriting reserves is due to the effect of transfer the long-term third sector insurance contracts to Mitsui Sumitomo Aioi Life Insurance Co., Ltd.

(8) Catastrophe reserve

(Yen in 100 millions)

	March 31, 2019		September 30, 2019			
	Balance	Reserve ratio	Reversal	Provision	Balance	Reserve ratio
		%				%
Fire and allied	749	40.8	-	130	880	40.6
Marine	137	168.7	-	0	138	163.0
Personal accident	691	108.1	-	9	700	118.0
Voluntary automobile	533	7.8	-	114	647	9.1
Other	736	55.3	0	41	777	53.9
Total	2,848	26.5	0	296	3,145	27.5

(Note) Reserve ratio = catastrophe reserve / net premiums written (excluding premiums of residential earthquake insurance and CALI) x 100
Reserve ratio for September 30, 2019 is calculated on an annualized basis using net premiums written multiplied by two as a denominator.

(9) Investment assets

(Yen in 100 millions)

	March 31, 2019	September 30, 2019	
			Change
Cash, deposits and savings	1,839	2,165	326
Investments in securities:	24,113	24,176	62
Domestic bonds	8,408	8,383	(25)
Domestic stocks	8,234	8,043	(190)
Foreign securities	6,771	7,050	279
Other securities	698	698	(0)
Loans	2,010	2,030	20
Land and buildings	1,592	1,576	(15)
Total	29,555	29,948	393

(Reference)

Long-term investment assets	3,903	3,779	(124)
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(Reference) Breakdown of domestic bonds

(Yen in 100 millions)

	March 31, 2019	September 30, 2019	
			Change
Government bonds	5,620	5,120	(500)
Municipal bonds	209	327	118
Corporate bonds:	2,578	2,935	356
Government agency bonds	508	529	20
Specific financial institution bonds	79	79	(0)
Other corporate bonds	1,990	2,326	335
Total	8,408	8,383	(25)

(10) Breakdown of interest and dividends income

(Yen in 100 millions)

	Six months ended September 30, 2018	Six months ended September 30, 2019	
			Change
Investments in securities:	248	256	8
Domestic bonds	47	43	(4)
Domestic stocks	114	117	3
Foreign securities	79	71	(7)
Other securities	7	24	17
Loans	11	10	(0)
Land and buildings	23	23	0
Other	2	10	7
Total	285	301	16

(11) Investments in securities

Unrealized gains and losses on investments in securities

(Yen in 100 millions)

September 30, 2019	Cost	Fair value	Difference	Change from March 31, 2019
Domestic bonds	7,705	8,383	678	33
Domestic stocks	3,902	7,783	3,881	(79)
Foreign securities	5,656	6,182	526	115
Other securities	569	612	43	(4)
Total	17,833	22,962	5,129	66

(Yen in 100 millions)

March 31, 2019	Cost	Fair value	Difference
Domestic bonds	7,764	8,408	644
Domestic stocks	4,013	7,973	3,960
Foreign securities	5,492	5,903	410
Other securities	580	627	47
Total	17,850	22,913	5,063

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

Gains and losses on sales of securities

(Yen in 100 millions)

	Six months ended September 30, 2018 Gains/(losses)	Six months ended September 30, 2019 Gains/(losses)	Gains	Losses
Domestic bonds	4	17	17	0
Domestic stocks	61	64	67	3
Foreign securities	3	13	13	-
Other securities	(0)	-	-	-
Total	69	95	98	3

Impairment losses on securities

(Yen in 100 millions)

	Six months ended September 30, 2018	Six months ended September 30, 2019	Change
Domestic bonds	-	-	-
Domestic stocks	3	27	24
Foreign securities	-	9	9
Other securities	-	-	-
Total	3	37	33

4. Earnings Forecasts

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) Consolidated Business Results

(Yen in 100 millions)

	Items	Results for year ended March 31, 2019	Initial forecasts for year ending March 31, 2020	Revised forecasts for year ending March 31, 2020	Change from the initial forecasts
Net premiums written (non-life insurance)	1	35,004	35,240	35,250	10
Mitsui Sumitomo Insurance	2	15,124	15,410	15,440	30
Aioi Nissay Dowa Insurance	3	12,335	12,610	12,700	90
Simple sum	4	27,460	28,020	28,140	120
Mitsui Direct General Insurance	5	366	368	360	(8)
Overseas insurance subsidiaries	6	7,146	6,810	6,750	(60)
Insurance premiums (domestic life insurance)	7	15,999	15,250	13,190	(2,060)
Mitsui Sumitomo Aioi Life Insurance	8	5,042	5,220	5,190	(30)
Mitsui Sumitomo Primary Life Insurance	9	10,956	10,030	8,000	(2,030)
Ordinary profit	10	2,908	2,980	2,100	(880)
Net income attributable to owners of the parent	11	1,927	2,000	2,000	-
Mitsui Sumitomo Insurance	12	1,711	1,360	960	(400)
Aioi Nissay Dowa Insurance	13	373	400	400	-
Simple sum	14	2,084	1,760	1,360	(400)
Mitsui Direct General Insurance	15	2	1	1	-
Mitsui Sumitomo Aioi Life Insurance	16	79	100	100	-
Mitsui Sumitomo Primary Life Insurance	17	233	170	170	-
Overseas insurance subsidiaries	18	193	380	400	20
Others, consolidation adjustments, etc.	19	(665)	(411)	(31)	380
Annual total of dividends per share	20	140.00 yen	150.00 yen	150.00 yen	- yen

(Note) Items 12 to 18 represent the net income or loss on a non-consolidated basis after taking into account the Company's ownership interests in its subsidiaries.

(2) Domestic Non-Life Insurance Subsidiaries (Two Main Consolidated Subsidiaries)

(Yen in 100 millions)

	Items	Simple sum		Mitsui Sumitomo Insurance		Aioi Nissay Dowa Insurance	
		Revised forecasts for year ending March 31, 2020	Change from the initial forecasts	Revised forecasts for year ending March 31, 2020	Change from the initial forecasts	Revised forecasts for year ending March 31, 2020	Change from the initial forecasts
Net premiums written	1	28,140	120	15,440	30	12,700	90
Growth rate of net premiums written	2	2.5 %	0.5 %	2.1 %	0.2 %	3.0 %	0.8 %
Net loss ratio ^(Note 1)	3	63.0 %	1.3 %	62.6 %	1.7 %	63.4 %	0.6 %
Net expense ratio ^(Note 2)	4	33.5 %	0.3 %	32.6 %	0.2 %	34.5 %	0.3 %
Combined ratio ^(Note 3)	5	96.5 %	1.6 %	95.2 %	1.9 %	97.9 %	0.9 %
EI loss ratio ^(Note 4, 5)	6	62.3 %	2.8 %	61.8 %	4.0 %	62.9 %	1.2 %
Underwriting profit/(loss)	7	50	(990)	(60)	(820)	110	(170)
Investment profit	8	1,680	140	1,110	(40)	570	180
Ordinary profit	9	1,650	(850)	960	(860)	690	10
Net income	10	1,360	(400)	960	(400)	400	-

(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. The calculation is exclusive of residential earthquake insurance and CALI.

5. EI loss ratio = incurred losses (including loss adjustment expenses) / earned premiums x 100

Incurred losses (including loss adjustment expenses) = 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.

(Primary assumptions of the forecasts)

- The forecast of net premiums written is based on the Company's own estimate taking into account the trends in the consolidated business results.
- Incurred losses (which are the sum total of net claims paid and movement in outstanding claims) caused by natural disasters in Japan for the year ending March 31, 2020 are assumed to be ¥70.0 billion at Mitsui Sumitomo Insurance Co., Ltd. and ¥53.0 billion at Aioi Nissay Dowa Insurance Co., Ltd..
- Market interest rates, currency exchange rates and stock prices are assumed to be at almost the same level as September 30, 2019.

The Company's consolidated earnings forecasts have been made based on certain assumptions including those above mentioned but actual results may differ substantially from these forecasts depending on various factors.

Supplementary Information

1. Supplementary Information on Consolidated Business Results

(1) Consolidated Business Results

(Yen in 100 millions)

	Six months ended September 30, 2018	Six months ended September 30, 2019	Change	Change ratio
Ordinary income and expenses:				
Underwriting income:	26,077	25,481	(596)	(2.3) %
Net premiums written	18,760	19,268	508	2.7
Deposit premiums from policyholders	423	419	(4)	(1.1)
Life insurance premiums	6,571	5,554	(1,016)	(15.5)
Underwriting expenses:	25,276	21,765	(3,510)	(13.9)
Net claims paid	9,735	9,396	(339)	(3.5)
Loss adjustment expenses	854	861	6	0.8
Commissions and collection expenses	3,583	3,691	107	3.0
Maturity refunds to policyholders	1,066	1,013	(53)	(5.0)
Life insurance claims	2,002	1,944	(58)	(2.9)
Provision for outstanding claims	1,699	622	(1,076)	(63.3)
Provision for underwriting reserves	6,314	4,122	(2,192)	(34.7)
Investment income:	3,493	2,959	(534)	(15.3)
Interest and dividends income	1,525	1,524	(1)	(0.1)
Investment gains on money trusts	355	424	69	19.6
Gains on sales of securities	753	382	(370)	(49.2)
Investment gains on separate accounts	715	374	(340)	(47.6)
Investment expenses:	208	2,217	2,009	964.4
Investment losses on money trusts	2	285	282	9,733.1
Losses on sales of securities	65	37	(28)	(43.1)
Impairment losses on securities	29	72	42	144.3
Operating expenses and general and administrative expenses	3,331	3,398	67	2.0
Other ordinary income and expenses:	(1)	24	25	-
Gains/(losses) on equity method investments	9	36	27	298.5
Ordinary profit	753	1,082	329	43.8
Extraordinary income and losses:				
Extraordinary income	4	958	954	23,169.4
Extraordinary losses	128	1,766	1,637	1,271.3
Extraordinary income/(losses)	(124)	(807)	(683)	-
Income before income taxes	628	275	(353)	(56.2)
Income taxes - current	442	429	(13)	(3.0)
Income taxes - deferred	(287)	(1,804)	(1,517)	-
Total income taxes	155	(1,375)	(1,531)	(984.5)
Net income	473	1,650	1,177	248.9
Net income attributable to non-controlling interests	10	15	4	49.1
Net income attributable to owners of the parent	463	1,635	1,172	253.2

- (Notes) 1. The figures in the above table are presented as exclusive of Good Result Return premiums of Mitsui Sumitomo Insurance's proprietary automobile insurance product "ModoRich", which contains a special clause related to premium adjustment and refund at maturity.
2. Extraordinary income for the six months ended September 30, 2019 includes reversal of reserve for price fluctuation of ¥86.2 billion.
3. Extraordinary losses for the six months ended September 30, 2019 include impairment losses of ¥175.6 billion.

(2) 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 September 30, 2018			Six months ended September 30, 2019		
	Amount	Share (%)	Change ratio (%)	Amount	Share (%)	Change ratio (%)
Fire and allied	361,907	18.3	14.5	405,441	19.9	12.0
Marine	109,158	5.5	(6.2)	110,560	5.4	1.3
Personal accident	169,609	8.6	(1.1)	165,790	8.1	(2.3)
Voluntary automobile	791,983	40.0	0.3	802,275	39.3	1.3
CALI	168,578	8.5	(4.5)	180,313	8.8	7.0
Other	379,221	19.1	5.4	377,319	18.5	(0.5)
Total:	1,980,459	100.0	2.6	2,041,701	100.0	3.1
Deposit premiums from policyholders	42,390	2.1	(6.2)	41,926	2.1	(1.1)

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

Voluntary Automobile	794,815		0.3	802,275		0.9
Total	1,983,290		2.6	2,041,701		2.9

Net Premiums Written by Line of Insurance

(Yen in millions)

Lines of Insurance	Six months ended September 30, 2018			Six months ended September 30, 2019		
	Amount	Share (%)	Change ratio (%)	Amount	Share (%)	Change ratio (%)
Fire and allied	310,881	16.6	2.4	346,238	18.0	11.4
Marine	89,514	4.8	(12.2)	87,759	4.5	(2.0)
Personal accident	138,991	7.4	7.5	132,458	6.9	(4.7)
Voluntary automobile	817,201	43.6	0.0	836,581	43.4	2.4
CALI	168,278	9.0	(9.8)	179,522	9.3	6.7
Other	348,326	18.6	7.8	344,271	17.9	(1.2)
Total	1,873,194	100.0	0.6	1,926,832	100.0	2.9

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

Voluntary automobile	820,032		0.1	836,581		2.0
Total	1,876,025		0.6	1,926,832		2.7

Net Claims Paid by Line of Insurance

(Yen in millions)

Lines of Insurance	Six months ended September 30, 2018			Six months ended September 30, 2019		
	Amount	Share (%)	Change ratio (%)	Amount	Share (%)	Change ratio (%)
Fire and allied	200,484	20.6	49.0	165,592	17.6	(17.4)
Marine	38,098	3.9	(16.0)	38,668	4.1	1.5
Personal accident	54,229	5.6	4.1	55,774	5.9	2.8
Voluntary automobile	425,045	43.7	5.6	422,829	45.0	(0.5)
CALI	124,767	12.8	(2.0)	116,324	12.4	(6.8)
Other	130,884	13.4	4.8	140,411	15.0	7.3
Total	973,509	100.0	9.8	939,601	100.0	(3.5)

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

(3) Investments in Securities

1. Trading securities

(Yen in millions)

	March 31, 2019		September 30, 2019	
	Carrying amount	Unrealized gains/(losses) included in income	Carrying amount	Unrealized gains/(losses) included in income
Trading securities	3,211,098	(12,558)	3,151,884	32,942

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

2. Held-to-maturity securities

(Yen in millions)

Items	March 31, 2019			September 30, 2019		
	Carrying amount	Fair value	Difference	Carrying amount	Fair value	Difference
Domestic Bonds	1,056,044	1,286,289	230,244	1,083,312	1,335,536	252,224
Foreign Securities	-	-	-	3,909	3,909	-
Other Securities	8,198	8,198	-	9,637	9,637	-
Total	1,064,243	1,294,487	230,244	1,096,859	1,349,083	252,224

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

3. Debt securities earmarked for underwriting reserves

(Yen in millions)

Items	March 31, 2019			September 30, 2019		
	Carrying amount	Fair value	Difference	Carrying amount	Fair value	Difference
Domestic Bonds	757,068	811,591	54,522	827,079	911,895	84,815
Foreign Securities	1,606,242	1,713,764	107,521	1,505,070	1,672,461	167,391
Total	2,363,311	2,525,355	162,044	2,332,149	2,584,357	252,207

4. Available-for-sale securities

(Yen in millions)

Items	March 31, 2019			September 30, 2019		
	Cost	Carrying amount	Difference	Cost	Carrying amount	Difference
Domestic Bonds	3,592,074	3,912,768	320,693	3,574,588	3,913,455	338,867
Domestic Stocks	1,098,918	2,486,984	1,388,065	1,065,551	2,437,583	1,372,032
Foreign Securities	2,414,156	2,475,337	61,180	2,574,261	2,705,820	131,558
Other Securities	218,824	228,732	9,908	289,630	304,915	15,285
Total	7,323,973	9,103,822	1,779,848	7,504,031	9,361,776	1,857,744

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

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

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

For the year ended March 31, 2019: ¥7,553 million (comprised of ¥6,761 million on Domestic stocks and ¥792 million on Foreign securities)

For the six months ended September 30, 2019: ¥7,089 million (comprised of ¥6,836 million on Domestic stocks and ¥253 million on Foreign securities)

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

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, 2019	September 30, 2019
(Assets)		
Cash, deposits and savings	451,820	509,963
Receivables under resale agreements	6,999	6,999
Monetary claims bought	13,650	12,314
Money trusts	3,543	3,616
Investments in securities	5,399,897	5,258,658
Loans	396,292	387,920
Tangible fixed assets	207,392	207,427
Intangible fixed assets	73,972	84,491
Other assets	393,734	346,583
Deferred tax assets	-	57,260
Customers' liabilities under acceptances and guarantees	33,123	32,014
Bad debt reserve	(3,282)	(3,255)
Total assets	6,977,145	6,903,997
(Liabilities)		
Policy liabilities:	3,798,043	3,784,339
Outstanding claims	644,153	676,262
Underwriting reserves	3,153,890	3,108,076
Bonds issued	487,093	587,093
Other liabilities:	502,358	492,256
Income taxes payable	18,683	23,769
Lease obligations	1,294	1,348
Asset retirement obligations	3,881	3,921
Other liabilities	478,499	463,217
Reserve for pension and retirement benefits	134,438	129,591
Reserve for retirement benefits for officers	403	358
Accrued bonuses for employees	10,447	10,368
Reserve for reorganization by function	906	630
Reserves under the special laws:	76,003	1,991
Reserve for price fluctuation	76,003	1,991
Deferred tax liabilities	101,693	-
Acceptances and guarantees	33,123	32,014
Total liabilities	5,144,511	5,038,644
(Net assets)		
Common stock	139,595	139,595
Capital surplus	93,107	93,107
Retained earnings	685,439	716,207
Total shareholders' equity	918,142	948,910
Net unrealized gains/(losses) on investments in securities	885,036	888,837
Net deferred gains/(losses) on hedges	29,454	27,603
Total valuation and translation adjustments	914,491	916,441
Total net assets	1,832,634	1,865,352
Total liabilities and net assets	6,977,145	6,903,997

Non-Consolidated Statements of Income

(Yen in millions)

Items	Six months ended September 30, 2018	Six months ended September 30, 2019
Ordinary income:	947,757	915,342
Underwriting income:	837,237	848,718
Net premiums written	774,578	803,373
Deposit premiums from policyholders	29,461	29,800
Investment income on deposit premiums from policyholders	15,963	15,527
Reversal of underwriting reserves	16,499	-
Investment income:	108,513	64,576
Interest and dividends income	57,701	55,915
Investment gains on money trusts	394	81
Gains on sales of securities	60,610	22,535
Transfer of investment income on deposit premiums from policyholders	(15,963)	(15,527)
Other ordinary income	2,006	2,047
Ordinary expenses:	868,420	846,452
Underwriting expenses:	749,845	723,688
Net claims paid	419,063	404,470
Loss adjustment expenses	43,797	44,367
Commissions and collection expenses	135,656	141,927
Maturity refunds to policyholders	78,054	72,747
Provision for outstanding claims	72,877	33,436
Provision for underwriting reserves	-	25,381
Investment expenses:	5,414	10,034
Losses on sales of securities	2,407	1,483
Impairment losses on securities	1,957	5,064
Operating expenses and general and administrative expenses	108,629	107,811
Other ordinary expenses:	4,530	4,917
Interest expense	3,837	4,667
Ordinary profit	79,337	68,890
Extraordinary income	344	74,177
Extraordinary losses	2,330	186,895
Income/(loss) before income taxes	77,350	(43,828)
Income taxes - current	24,547	23,302
Income taxes - deferred	(7,888)	(159,716)
Total income taxes	16,658	(136,413)
Net income	60,692	92,584

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, 2019	September 30, 2019
(A) Total amount of solvency margin	3,321,706	3,400,688
Total net assets	856,325	932,247
Reserve for price fluctuation	76,003	1,991
Contingency reserve	60	100
Catastrophe reserve	527,790	559,060
General bad debt reserve	111	93
Net unrealized gains/(losses) on investments in securities and net deferred gains/(losses) on hedges (prior to tax effect deductions)	1,104,761	1,109,506
Net unrealized gains/(losses) on land	48,551	57,116
Excess of policyholders' contract deposits (a)	-	-
Subordinated debts, etc. (b)	487,093	487,093
Amount excluded from the margin, out of (a) and (b)	-	-
Deductions	6,642	3,642
Others	227,650	257,120
(B) Total amount of risks $\sqrt{(R_1 + R_2)^2 + (R_3 + R_4)^2} + R_5 + R_6$	918,540	889,420
General insurance risk (R ₁)	131,847	133,361
Insurance risk of third sector insurance contracts (R ₂)	-	-
Assumed interest rate risk (R ₃)	14,611	14,245
Asset management risk (R ₄)	757,347	725,700
Business administration risk (R ₅)	20,376	19,820
Catastrophe risk (R ₆)	115,025	117,732
(C) Solvency margin ratio [(A) / {(B) x 1/2}] x 100	723.2 %	764.6 %

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

Non-Consolidated Balance Sheets

(Yen in millions)

Items	March 31, 2019	September 30, 2019
(Assets)		
Cash, deposits and savings	181,470	214,139
Money trusts	2,483	2,421
Investments in securities	2,411,362	2,417,628
Loans	201,022	203,063
Tangible fixed assets	177,051	180,095
Intangible fixed assets	42,914	49,455
Other assets	354,507	345,618
Prepaid pension expenses	20,501	19,961
Deferred tax assets	16,426	22,930
Customers' liabilities under acceptances and guarantees	4,500	4,500
Bad debt reserve	(1,251)	(1,022)
Total assets	3,410,989	3,458,790
(Liabilities)		
Policy liabilities:	2,426,782	2,438,307
Outstanding claims	591,844	603,638
Underwriting reserves	1,834,938	1,834,668
Bonds issued	22,000	72,000
Other liabilities:	171,219	168,697
Income taxes payable	3,060	13,210
Lease obligations	3	2
Asset retirement obligations	847	871
Other liabilities	167,307	154,613
Reserve for pension and retirement benefits	31,288	32,890
Accrued bonuses for employees	6,016	6,001
Reserve for reorganization by function	253	238
Reserves under the special laws:	13,373	14,220
Reserve for price fluctuation	13,373	14,220
Acceptances and guarantees	4,500	4,500
Total liabilities	2,675,433	2,736,854
(Net assets)		
Common stock	100,005	100,005
Capital surplus	81,207	81,207
Retained earnings	180,526	163,355
Total shareholders' equity	361,739	344,568
Net unrealized gains/(losses) on investments in securities	373,815	377,367
Total valuation and translation adjustments	373,815	377,367
Total net assets	735,555	721,935
Total liabilities and net assets	3,410,989	3,458,790

Non-Consolidated Statements of Income

(Yen in millions)

Items	Six months ended September 30, 2018	Six months ended September 30, 2019
Ordinary income:	684,373	713,720
Underwriting income:	651,102	677,038
Net premiums written	623,887	656,834
Deposit premiums from policyholders	12,928	12,125
Investment income on deposit premiums from policyholders	8,068	7,982
Investment income:	29,125	32,233
Interest and dividends income	28,554	30,155
Investment gains on money trusts	1	1
Gains on sales of securities	8,206	9,864
Transfer of investment income on deposit premiums from policyholders	(8,068)	(7,982)
Other ordinary income	4,145	4,447
Ordinary expenses:	711,819	698,021
Underwriting expenses:	616,881	592,805
Net claims paid	342,646	330,023
Loss adjustment expenses	31,442	32,283
Commissions and collection expenses	120,818	128,075
Maturity refunds to policyholders	28,621	28,624
Provision for outstanding claims	80,136	14,192
Provision for underwriting reserves	12,545	54,866
Investment expenses:	4,595	7,113
Losses on sales of securities	1,277	345
Impairment losses on securities	384	3,761
Operating expenses and general and administrative expenses	89,411	96,806
Other ordinary expenses:	931	1,295
Interest expense	197	221
Ordinary profit/(loss)	(27,446)	15,699
Extraordinary income	34	25
Extraordinary losses	2,650	1,387
Income /(loss) before income taxes	(30,061)	14,336
Income taxes - current	6,449	12,241
Income taxes - deferred	(16,863)	(8,970)
Total income taxes	(10,414)	3,271
Net income/(loss)	(19,647)	11,064

Non-Consolidated Solvency Margin Ratio

(Yen in millions)

	March 31, 2019	September 30, 2019
(A) Total amount of solvency margin	1,168,396	1,255,716
Total net assets	333,503	334,389
Reserve for price fluctuation	13,373	14,220
Contingency reserve	780	805
Catastrophe reserve	288,003	317,767
General bad debt reserve	231	129
Net unrealized gains/(losses) on investments in securities and net deferred gains/(losses) on hedges (prior to tax effect deductions)	456,845	462,179
Net unrealized gains/(losses) on land	23,420	27,545
Excess of policyholders' contract deposits (a)	-	-
Subordinated debts, etc. (b)	13,200	58,800
Amount excluded from the margin, out of (a) and (b)	-	-
Deductions	4,822	4,269
Others	43,859	44,149
(B) Total amount of risks $\sqrt{(R_1 + R_2)^2 + (R_3 + R_4)^2} + R_5 + R_6$	339,508	317,826
General insurance risk (R_1)	109,193	110,234
Insurance risk of third sector insurance contracts (R_2)	-	-
Assumed interest rate risk (R_3)	7,283	6,950
Asset management risk (R_4)	216,865	215,884
Business administration risk (R_5)	8,304	7,887
Catastrophe risk (R_6)	81,872	61,328
(C) Solvency margin ratio [(A) / {(B) x 1/2}] x 100	688.2 %	790.1 %

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

Non-Consolidated Balance Sheets

(Yen in millions)

Items	March 31, 2019	September 30, 2019
(Assets)		
Cash, deposits and savings	7,036	12,648
Investments in securities	42,042	37,042
Tangible fixed assets	548	491
Intangible fixed assets	5,076	6,030
Other assets	6,216	4,765
Bad debt reserve	(3)	(3)
Total assets	60,917	60,975
(Liabilities)		
Policy liabilities:	44,995	43,808
Outstanding claims	24,432	24,036
Underwriting reserves	20,563	19,772
Other liabilities:	1,398	1,153
Income taxes payable	157	189
Asset retirement obligations	17	18
Other liabilities	1,222	946
Reserve for pension and retirement benefits	163	191
Accrued bonuses for employees	280	172
Reserves under the special laws:	72	75
Reserve for price fluctuation	72	75
Deferred tax liabilities	84	89
Total liabilities	46,994	45,492
(Net assets)		
Common stock	39,106	39,106
Capital surplus	9,006	9,006
Retained earnings	(34,243)	(32,736)
Total shareholders' equity	13,868	15,375
Net unrealized gains/(losses) on investments in securities	54	108
Total valuation and translation adjustments	54	108
Total net assets	13,923	15,483
Total liabilities and net assets	60,917	60,975

Non-Consolidated Statements of Income

(Yen in millions)

Items	Six months ended September 30, 2018	Six months ended September 30, 2019
Ordinary income:	19,311	19,127
Underwriting income:	19,277	19,100
Net premiums written	18,252	17,901
Investment income on deposit premiums from policyholders	9	11
Reversal of outstanding claims	-	396
Reversal of underwriting reserves	1,014	790
Investment income:	20	15
Interest and dividends income	30	26
Transfer of investment income on deposit premiums from policyholders	(9)	(11)
Other ordinary income	13	11
Ordinary expenses:	18,341	17,553
Underwriting expenses:	13,738	13,003
Net claims paid	12,186	11,536
Loss adjustment expenses	1,381	1,304
Commissions and collection expenses	145	162
Provision for outstanding claims	25	-
Investment expenses	-	-
Operating expenses and general and administrative expenses	4,601	4,548
Other ordinary expenses	1	1
Ordinary profit	969	1,574
Extraordinary income	-	-
Extraordinary losses	3	3
Income before income taxes	966	1,570
Income taxes - current	52	79
Income taxes - deferred	(13)	(15)
Total income taxes	39	64
Net income	927	1,506

Non-Consolidated Solvency Margin Ratio

(Yen in millions)

	March 31, 2019	September 30, 2019
(A) Total amount of solvency margin	15,222	16,207
Total net assets	13,868	15,375
Reserve for price fluctuation	72	75
Contingency reserve	0	0
Catastrophe reserve	1,210	618
General bad debt reserve	3	2
Net unrealized gains/(losses) on investments in securities and net deferred gains/(losses) on hedges (prior to tax effect deductions)	68	135
Net unrealized gains/(losses) on land	-	-
Excess of policyholders' contract deposits (a)	-	-
Subordinated debts, etc. (b)	-	-
Amount excluded from the margin, out of (a) and (b)	-	-
Deductions	-	-
Others	-	-
(B) Total amount of risks $\sqrt{(R_1 + R_2)^2 + (R_3 + R_4)^2} + R_5 + R_6$	6,117	6,107
General insurance risk (R_1)	5,516	5,516
Insurance risk of third sector insurance contracts (R_2)	-	-
Assumed interest rate risk (R_3)	0	0
Asset management risk (R_4)	1,031	983
Business administration risk (R_5)	205	204
Catastrophe risk (R_6)	300	300
(C) Solvency margin ratio [(A) / {(B) x 1/2}] x 100	497.6 %	530.7 %

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

Non-Consolidated Balance Sheets

(Yen in millions)

Items	March 31, 2019	September 30, 2019
(Assets)		
Cash, deposits and savings	73,027	103,314
Receivables under resale agreements	465,377	445,141
Investments in securities	3,548,477	3,776,862
Loans	59,506	60,796
Tangible fixed assets	3,347	3,279
Intangible fixed assets	30,851	34,052
Due from agencies	186	1,671
Reinsurance accounts receivable	3,230	2,239
Other assets	45,775	43,217
Bad debt reserve	(117)	(110)
Total assets	4,229,662	4,470,464
(Liabilities)		
Policy liabilities:	3,415,379	3,663,289
Outstanding claims	29,520	29,944
Underwriting reserves	3,376,079	3,623,376
Reserve for dividends to policyholders	9,780	9,968
Due to agencies	4,296	3,977
Reinsurance accounts payable	253	317
Other liabilities:	509,173	483,912
Payables under repurchase agreements	468,782	448,466
Payables under securities lending transactions	23,687	23,747
Income taxes payable	2,496	2,543
Lease obligations	1,624	1,690
Asset retirement obligations	434	435
Other liabilities	12,148	7,029
Reserve for pension and retirement benefits	3,474	3,739
Reserve for retirement benefits for officers	10	9
Reserves under the special laws:	7,799	8,321
Reserve for price fluctuation	7,799	8,321
Deferred tax liabilities	13,359	16,480
Total liabilities	3,953,747	4,180,049
(Net assets)		
Common stock	85,500	85,500
Capital surplus	93,688	93,688
Retained earnings	14,645	17,587
Total shareholders' equity	193,833	196,775
Net unrealized gains/(losses) on investments in securities	82,081	93,640
Total valuation and translation adjustments	82,081	93,640
Total net assets	275,915	290,415
Total liabilities and net assets	4,229,662	4,470,464

Non-Consolidated Statements of Income

(Yen in millions)

Items	Six months ended September 30, 2018	Six months ended September 30, 2019
Ordinary income:	282,056	293,429
Insurance premiums and others:	254,024	264,783
Insurance premiums	247,496	257,957
Investment income:	25,976	26,323
Interest and dividends income	22,636	23,234
Gains on sales of securities	3,333	3,059
Gains on derivative transactions	-	19
Other ordinary income:	2,055	2,322
Reversal of outstanding claims	744	1,457
Ordinary expenses:	274,205	283,756
Insurance claims and others:	109,061	116,347
Insurance claims	20,080	21,757
Annuity payments	8,985	9,207
Benefits	9,975	14,403
Surrender benefits	62,393	61,171
Other refunds	1,807	2,052
Provision for underwriting reserves and others:	114,539	117,404
Provision for underwriting reserves	114,539	117,404
Provision for interest portion of reserve for dividends to policyholders	0	0
Investment expenses:	2,956	611
Losses on sales of securities	2,106	588
Losses on derivative transactions	831	-
Operating expenses	41,039	41,073
Other ordinary expenses	6,609	8,319
Ordinary profit	7,851	9,673
Extraordinary income	0	0
Extraordinary losses	651	531
Provision for reserve for dividends to policyholders	2,038	2,179
Income before income taxes	5,160	6,961
Income taxes - current	1,756	2,665
Income taxes - deferred	(484)	(863)
Total income taxes	1,272	1,802
Net income	3,888	5,159

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

(1) Policies in force

(Yen in 100 millions)

	March 31, 2019		September 30, 2019	
	Number of policies (in thousands)	Amount	Number of policies (in thousands)	Amount
Individual insurance	3,219	238,475	3,664	238,609
Individual annuities	177	6,856	173	6,727
Group insurance	-	85,546	-	89,588
Group annuities	-	3	-	3

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

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

(2) New policies

(Yen in 100 millions)

	Six months ended September 30, 2018				Six months ended September 30, 2019			
	Number of policies (in thousands)	Amount	New policies	Net increase by conversion	Number of policies (in thousands)	Amount	New policies	Net increase by conversion
Individual insurance	168	17,838	17,838	-	164	10,615	10,615	-
Individual annuities	0	34	34	-	0	29	29	-
Group insurance	-	677	677	-	-	486	486	-
Group annuities	-	-	-	-	-	-	-	-

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

Annualized Premiums

(1) Policies in force

(Yen in 100 millions)

	March 31, 2019	September 30, 2019
Individual insurance	3,897	4,077
Individual annuities	417	409
Total:	4,315	4,486
Medical coverage, living benefits, etc.	1,078	1,327

(2) New policies

(Yen in 100 millions)

	Six months ended September 30, 2018	Six months ended September 30, 2019
Individual insurance	256	145
Individual annuities	1	1
Total:	258	146
Medical coverage, living benefits, etc.	86	102

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

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

Non-Consolidated Business Performance

(Yen in millions)

	Six months ended September 30, 2018	Six months ended September 30, 2019	Change
Fundamental revenues:	278,745	290,357	11,612
Insurance premiums and others	254,024	264,783	10,758
Fundamental expenses	269,977	282,194	12,216
Fundamental profit	8,767	8,163	(604)
Capital gains/(losses)	370	2,493	2,123
Non-recurring gains/(losses)	(1,286)	(984)	302
Ordinary profit	7,851	9,673	1,822
Extraordinary income	0	0	(0)
Extraordinary losses	651	531	(119)
Provision for reserve for dividends to policyholders	2,038	2,179	141
Income taxes	1,272	1,802	529
Net income	3,888	5,159	1,270

Non-Consolidated Solvency Margin Ratio

(Yen in millions)

	March 31, 2019	September 30, 2019
(A) Total amount of solvency margin	505,779	532,208
Total capital	192,668	195,034
Reserve for price fluctuation	7,799	8,321
Contingency reserve	35,067	38,551
General bad debt reserve	22	8
Net unrealized gains/(losses) on investments in securities and net deferred gains/(losses) on hedges (prior to tax effect deductions) x 90%	102,601	117,050
Net unrealized gains/(losses) on land x 85%	-	-
Excess of continued Zillmerized reserve (a)	162,392	166,912
Subordinated debts, etc. (b)	-	-
Amount excluded from the margin, out of (a) and (b)	-	-
Brought in capital	-	-
Deductions	-	-
Others	5,227	6,330
(B) Total amount of risks $\sqrt{(R_1 + R_8)^2 + (R_2 + R_3 + R_7)^2} + R_4$	60,145	67,051
Insurance risk (R ₁)	18,220	18,443
Insurance risk of third sector insurance contracts (R ₈)	12,950	16,126
Assumed interest rate risk (R ₂)	3,136	3,197
Minimum guarantee risk (R ₇)	-	-
Asset management risk (R ₃)	46,405	52,145
Business administration risk (R ₄)	1,614	1,798
(C) Solvency margin ratio [(A) / {(B) x 1/2}] x 100	1,681.8 %	1,587.4 %

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

Non-Consolidated Balance Sheets

(Yen in millions)

Items	March 31, 2019	September 30, 2019
(Assets)		
Cash, deposits and savings	288,811	304,253
Monetary claims bought	42,999	90,997
Money trusts	1,538,286	1,662,670
Investments in securities	4,683,396	4,652,179
Loans	244,618	233,997
Tangible fixed assets	938	1,099
Intangible fixed assets	10,655	11,969
Reinsurance accounts receivable	9,788	9,583
Other assets	28,814	29,054
Deferred tax assets	37,012	26,170
Total assets	6,885,323	7,021,975
(Liabilities)		
Policy liabilities:	6,555,593	6,672,124
Outstanding claims	20,679	20,405
Underwriting reserves	6,534,913	6,651,718
Due to agencies	4,040	2,887
Reinsurance accounts payable	3,936	5,967
Other liabilities:	50,443	57,521
Income taxes payable	2,187	134
Lease obligations	818	889
Asset retirement obligations	174	175
Other liabilities	47,262	56,321
Reserves under the special laws:	76,000	62,406
Reserve for price fluctuation	76,000	62,406
Total liabilities	6,690,014	6,800,906
(Net assets)		
Common stock	41,060	41,060
Capital surplus	24,735	24,735
Retained earnings	103,435	110,580
Total shareholders' equity	169,230	176,375
Net unrealized gains/(losses) on investments in securities	19,669	31,578
Net deferred gains/(losses) on hedges	6,408	13,114
Total valuation and translation adjustments	26,077	44,692
Total net assets	195,308	221,068
Total liabilities and net assets	6,885,323	7,021,975

Non-Consolidated Statements of Income

(Yen in millions)

Items	Six months ended September 30, 2018	Six months ended September 30, 2019
Ordinary income:	749,407	595,350
Insurance premiums and others:	574,419	495,443
Insurance premiums	563,066	475,318
Investment income:	173,301	97,440
Interest and dividends income	43,768	43,985
Investment gains on money trusts	34,830	13,840
Gains on sales of securities	1,222	2,086
Investment gains on separate accounts	71,511	37,451
Other ordinary income	1,686	2,467
Reversal of outstanding claims	-	273
Ordinary expenses:	727,465	593,347
Insurance claims and others:	267,198	288,693
Insurance claims	41,966	47,259
Annuity payments	44,996	44,906
Benefits	89,072	82,020
Surrender benefits	52,650	63,529
Other refunds	1,594	2,004
Provision for underwriting reserves and others:	428,430	116,804
Provision for outstanding claims	595	-
Provision for underwriting reserves	427,834	116,804
Investment expenses:	68	156,274
Interest expense	0	14
Losses on sales of securities	20	460
Operating expenses	27,362	26,885
Other ordinary expenses	4,405	4,689
Ordinary profit	21,941	2,003
Extraordinary income	-	13,593
Extraordinary losses	5,474	-
Income before income taxes	16,467	15,596
Income taxes - current	7,886	651
Income taxes - deferred	(3,421)	3,602
Total income taxes	4,465	4,254
Net income	12,002	11,341

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

(1) Policies in force

(Yen in 100 millions)

	March 31, 2019		September 30, 2019	
	Number of policies (in thousands)	Amount	Number of policies (in thousands)	Amount
Individual insurance	765	42,699	806	43,127
Individual annuities	379	24,085	386	23,840
Group insurance	-	-	-	-
Group annuities	-	-	-	-

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

(2) New policies

(Yen in 100 millions)

	Six months ended September 30, 2018				Six months ended September 30, 2019			
	Number of policies (in thousands)	Amount	New policies	Net increase by conversion	Number of policies (in thousands)	Amount	New policies	Net increase by conversion
Individual insurance	53	3,741	3,741	-	54	3,802	3,802	-
Individual annuities	35	1,990	1,990	-	15	993	993	-
Group insurance	-	-	-	-	-	-	-	-
Group annuities	-	-	-	-	-	-	-	-

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

Annualized Premiums

(1) Policies in force

(Yen in 100 millions)

	March 31, 2019	September 30, 2019
Individual insurance	3,110	3,223
Individual annuities	2,722	2,717
Total:	5,833	5,940
Medical coverage, living benefits, etc.	0	0

(2) New policies

(Yen in 100 millions)

	Six months ended September 30, 2018	Six months ended September 30, 2019
Individual insurance	300	336
Individual annuities	317	175
Total:	617	512
Medical coverage, living benefits, etc.	-	-

- (Notes) 1. An annualized premium is the annual total of premiums that is obtained by multiplying the amount of a single payment with the number of payments per year in accordance with the premium payment method. An annualized premium for a lump-sum payment policy is the premium divided by the number of years of coverage.
2. "Medical coverage, living benefits, etc." represents the portion of annualized premiums that corresponds to medical coverage benefits (for hospitalization, surgeries, etc.), living benefits (for specified diseases, nursing care, etc.) and premium waiver benefits (excluding those for disability, but including those for specified diseases, nursing care, etc.).

Non-Consolidated Business Performance

(Yen in millions)

	Six months ended September 30, 2018	Six months ended September 30, 2019	Change
Fundamental revenues:	744,486	640,371	(104,114)
Insurance premiums and others	574,419	495,443	(78,976)
Fundamental expenses	721,311	667,027	(54,283)
Fundamental profit/(losses)	23,174	(26,656)	(49,831)
Capital gains/(losses)	4,900	28,682	23,782
Non-recurring gains/(losses)	(6,132)	(23)	6,109
Ordinary profit	21,941	2,003	(19,938)
Extraordinary income	-	13,593	13,593
Extraordinary losses	5,474	-	(5,474)
Provision for reserve for dividends to policyholders	-	-	-
Income taxes	4,465	4,254	(210)
Net income	12,002	11,341	(660)

Non-Consolidated Solvency Margin Ratio

(Yen in millions)

	March 31, 2019	September 30, 2019
(A) Total amount of solvency margin	616,094	565,509
Total capital	165,034	174,868
Reserve for price fluctuation	76,000	62,406
Contingency reserve	84,260	84,283
General bad debt reserve	-	-
Net unrealized gains/(losses) on investments in securities and net deferred gains/(losses) on hedges (prior to tax effect deductions) x 90%	24,586	39,472
Net unrealized gains/(losses) on land x 85%	-	-
Excess of continued Zillmerized reserve (a)	229,718	164,274
Subordinated debts, etc. (b)	-	-
Amount excluded from the margin, out of (a) and (b)	-	-
Brought in capital	-	-
Deductions	-	-
Others	36,495	40,202
(B) Total amount of risks $\sqrt{(R_1 + R_9)^2 + (R_2 + R_3 + R_7)^2} + R_4$	149,278	152,468
Insurance risk (R ₁)	752	896
Insurance risk of third sector insurance contracts (R ₉)	3	3
Assumed interest rate risk (R ₂)	56,536	57,015
Minimum guarantee risk (R ₇)	2,303	1,852
Asset management risk (R ₃)	87,495	90,590
Business administration risk (R ₄)	2,941	3,007
(C) Solvency margin ratio [(A) / {(B) x 1/2}] x 100	825.4 %	741.8 %

3. Supplementary Information on Business Results for the Six Months Ended September 30, 2019 for Press Conference

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

1. Basic Information

(Yen in 100 millions)

		Six months ended September 30, 2018 (A)	Year ended March 31, 2019 (B)	Six months ended September 30, 2019 (C)	Change (C) - (B)	Change (C) - (A)
1	Net premiums written	7,774	15,124	8,033	-	259
	Change ratio	(0.5)%	0.8%	3.3%	2.5%	3.8%
2	Total assets	71,996	69,771	69,039	(731)	(2,956)
3	Net loss ratio	59.5%	66.2%	55.9%	(10.3)%	(3.6)%
4	Net expense ratio	30.7%	31.5%	30.4%	(1.1)%	(0.3)%
5	Combined ratio	90.2%	97.7%	86.3%	(11.4)%	(3.9)%
	Underwriting result ratio	9.8%	2.3%	13.7%	11.4%	3.9%
6	Voluntary automobile insurance					
	Net premiums written	3,314	6,570	3,371	-	57
	Change ratio	(0.9)%	(0.3)%	1.7%	2.0%	2.6%
	Underwriting result ratio	10.2%	7.1%	11.5%	4.4%	1.3%
	Net loss ratio	58.4%	60.8%	57.5%	(3.3)%	(0.9)%
	Net expense ratio	31.4%	32.1%	31.0%	(1.1)%	(0.4)%
7	Fire and allied insurance					
	Net premiums written	1,019	1,988	1,146	-	127
	Change ratio	(3.2)%	1.1%	12.5%	11.4%	15.7%
	Underwriting result ratio	(19.7)%	(45.2)%	3.2%	48.4%	22.9%
	Net loss ratio	79.1%	104.9%	57.6%	(47.3)%	(21.5)%
	Net expense ratio	40.6%	40.3%	39.2%	(1.1)%	(1.4)%
8	Number of employees	14,636	14,577	14,511	(66)	(125)
9	Number of agencies	39,247	38,122	37,429	(693)	(1,818)

- (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 Results of MS&AD Insurance Group Holdings, Inc.

(Yen in 100 millions)

		Six months ended September 30, 2018 (A)	Year ended March 31, 2019 (B)	Six months ended September 30, 2019 (C)	Change (C) - (B)	Change (C) - (A)
1	Ordinary income	29,657	55,032	28,564	-	(1,092)
2	Net premiums written	18,760	35,004	19,268	-	508
	Change ratio	0.6%	1.6%	2.7%	1.1%	2.1%
3	Life insurance premiums	6,571	12,868	5,554	-	(1,016)
	Change ratio	28.6%	21.6%	(15.5)%	(37.1)%	(44.1)%
4	Ordinary profit	753	2,908	1,082	-	329
5	Net income attributable to owners of the parent	463	1,927	1,635	-	1,172

- (Note) Ordinary income and net premiums written are presented exclusive of Good Result Return premiums of Mitsui Sumitomo Insurance's proprietary automobile insurance product "ModoRich", which contains a special clause related to premium adjustment and refund at maturity.

2. Other Information**(a) Impairment losses on securities**

(Yen in 100 millions)

	Six months ended September 30, 2018	Year ended March 31, 2019	Six months ended September 30, 2019
Domestic bonds	-	-	-
Domestic stocks	19	39	50
Foreign securities	0	1	0
Other securities	-	-	-
Total	19	40	50

(Note) Apart from the above, Losses on valuation of shares of subsidiaries and associates of ¥186.3 billion was recorded under Extraordinary losses.

Rules for recognition of impairment

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

(b) Impairment losses on fixed assets

(Yen in 100 millions)

	Six months ended September 30, 2018	Year ended March 31, 2019	Six months ended September 30, 2019
Land	0	2	0
Buildings	0	2	0
Others	-	1	-
Total	0	6	0

(c) Unrealized gains and losses on investments in securities

(Yen in 100 millions)

	September 30, 2018	March 31, 2019	September 30, 2019
Domestic bonds	1,301	1,563	1,634
Domestic stocks	13,284	10,554	10,469
Foreign securities	132	121	198
Other securities	26	28	39
Total	14,745	12,267	12,341

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

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

(d) Losses caused by natural disasters in Japan, excluding residential earthquake insurance

(Yen in 100 millions)

	Six months ended September 30, 2018	Year ended March 31, 2019	Six months ended September 30, 2019
Direct claims paid	315	2,980	35
Net claims paid	283	965	33
Outstanding claims	577	124	362

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

(e) Catastrophe reserve

(Yen in 100 millions)

Lines of insurance	September 30, 2018			March 31, 2019			September 30, 2019		
	Balance	Reserve Ratio	Provision	Balance	Reserve Ratio	Provision	Balance	Reserve Ratio	Provision
Fire and allied	1,233	60.7%	51	890	44.9%	413	1,003	43.8%	113
Marine	812	126.2%	14	813	130.6%	14	821	128.4%	8
Personal accident	748	47.1%	25	771	51.0%	47	796	51.7%	24
Voluntary automobile	871	13.1%	106	871	13.3%	210	979	14.5%	108
Other	1,934	67.2%	80	1,878	70.9%	98	1,935	65.5%	57
Total	5,600	40.7%	277	5,224	39.2%	785	5,535	39.1%	311

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

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

2. Provision = gross provision

(f) Reinsurance assumed

(Yen in 100 millions)

Lines of insurance	Six months ended September 30, 2018		Six months ended September 30, 2019	
	Net reinsurance assumed premiums written	Net reinsurance assumed claims paid	Net reinsurance assumed premiums written	Net reinsurance assumed claims paid
Fire and allied	179	66	173	64
Marine	93	27	85	53
Personal accident	3	3	12	6
Voluntary automobile	32	4	30	7
Compulsory automobile liability	652	669	703	626
Other	92	59	96	67
Total	1,053	829	1,102	825

(g) Reinsurance ceded

(Yen in 100 millions)

Lines of insurance	Six months ended September 30, 2018		Six months ended September 30, 2019	
	Net reinsurance ceded premiums written	Net reinsurance ceded claims paid	Net reinsurance ceded premiums written	Net reinsurance ceded claims paid
Fire and allied	679	258	760	554
Marine	214	75	233	116
Personal accident	53	25	67	29
Voluntary automobile	56	39	51	52
Compulsory automobile liability	594	617	632	591
Other	309	103	332	103
Total	1,907	1,120	2,077	1,447

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

1. Basic Information

(Yen in 100 millions)

		Six months ended September 30, 2018 (A)	Year ended March 31, 2019 (B)	Six months ended September 30, 2019 (C)	Change (C) - (B)	Change (C) - (A)
1	Net premiums written	6,238	12,335	6,568	-	329
	Change ratio	(1.0)%	0.9%	5.3%	4.4%	6.3%
2	Total assets	35,569	34,109	34,587	478	(981)
3	Net loss ratio	60.0%	67.8%	55.2%	(12.6)%	(4.8)%
4	Net expense ratio	32.9%	33.8%	33.6%	(0.2)%	0.7%
5	Combined ratio	92.9%	101.6%	88.8%	(12.8)%	(4.1)%
	Underwriting result ratio	7.1%	(1.6)%	11.2%	12.8%	4.1%
6	Voluntary automobile insurance					
	Net premiums written	3,462	6,850	3,579	-	117
	Change ratio	(0.2)%	0.1%	3.4%	3.3%	3.6%
	Underwriting result ratio	10.6%	7.1%	12.3%	5.2%	1.7%
	Net loss ratio	57.6%	60.3%	56.2%	(4.1)%	(1.4)%
	Net expense ratio	31.8%	32.6%	31.5%	(1.1)%	(0.3)%
7	Fire and allied insurance					
	Net premiums written	907	1,838	1,084	-	177
	Change ratio	(0.2)%	5.4%	19.6%	14.2%	19.8%
	Underwriting result ratio	(12.2)%	(47.5)%	8.1%	55.6%	20.3%
	Net loss ratio	72.3%	106.5%	51.1%	(55.4)%	(21.2)%
	Net expense ratio	39.9%	41.0%	40.8%	(0.2)%	0.9%
8	Number of employees	13,753	13,657	13,915	258	162
9	Number of agencies	48,251	48,100	47,857	(243)	(394)

(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 Results of MS&AD Insurance Group Holdings, Inc.

Please refer to page 37.

2. Other Information**(a) Impairment losses on securities**

(Yen in 100 millions)

	Six months ended September 30, 2018	Year ended March 31, 2019	Six months ended September 30, 2019
Domestic bonds	-	-	-
Domestic stocks	3	20	27
Foreign securities	-	-	9
Other securities	-	-	-
Total	3	20	37

Rules for recognition of impairment

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

(b) Impairment losses on fixed assets

(Yen in 100 millions)

	Six months ended September 30, 2018	Year ended March 31, 2019	Six months ended September 30, 2019
Land	7	7	0
Buildings	7	8	2
Others	-	-	-
Total	14	15	2

(c) Unrealized gains and losses on investments in securities

(Yen in 100 millions)

	September 30, 2018	March 31, 2019	September 30, 2019
Domestic bonds	529	644	678
Domestic stocks	5,227	3,960	3,881
Foreign securities	369	410	526
Other securities	74	47	43
Total	6,200	5,063	5,129

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

(d) Losses caused by natural disasters in Japan, excluding residential earthquake insurance

(Yen in 100 millions)

	Six months ended September 30, 2018	Year ended March 31, 2019	Six months ended September 30, 2019
Direct claims paid	198	1,944	28
Net claims paid	185	956	27
Outstanding claims	724	62	253

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

(e) Catastrophe reserve

(Yen in 100 millions)

Lines of insurance	September 30, 2018			March 31, 2019			September 30, 2019		
	Balance	Reserve Ratio	Provision	Balance	Reserve Ratio	Provision	Balance	Reserve Ratio	Provision
Fire and allied	1,348	74.4%	73	749	40.8%	298	880	40.6%	130
Marine	141	158.7%	0	137	168.7%	1	138	163.0%	0
Personal accident	681	102.0%	10	691	108.1%	20	700	118.0%	9
Voluntary automobile	625	9.0%	110	533	7.8%	219	647	9.1%	114
Other	723	52.0%	34	736	55.3%	64	777	53.9%	41
Total	3,519	32.3%	230	2,848	26.5%	604	3,145	27.5%	296

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

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

2. Provision = gross provision

(f) Reinsurance assumed

(Yen in 100 millions)

Lines of insurance	Six months ended September 30, 2018		Six months ended September 30, 2019	
	Net reinsurance assumed premiums written	Net reinsurance assumed claims paid	Net reinsurance assumed premiums written	Net reinsurance assumed claims paid
Fire and allied	291	148	315	193
Marine	45	17	43	23
Personal accident	24	8	22	11
Voluntary automobile	153	84	209	93
Compulsory automobile liability	550	576	581	534
Other	142	85	85	35
Total	1,208	921	1,258	894

(g) Reinsurance ceded

(Yen in 100 millions)

Lines of insurance	Six months ended September 30, 2018		Six months ended September 30, 2019	
	Net reinsurance ceded premiums written	Net reinsurance ceded claims paid	Net reinsurance ceded premiums written	Net reinsurance ceded claims paid
Fire and allied	459	184	520	376
Marine	0	0	1	(0)
Personal accident	35	11	39	12
Voluntary automobile	14	2	14	12
Compulsory automobile liability	614	655	663	634
Other	234	101	176	47
Total	1,359	954	1,416	1,082

(Reference)

1. Incurred Losses Caused by Natural Disasters in Japan, Excluding Residential Earthquake Insurance, of Two Main Consolidated Domestic Non-Life Insurance Subsidiaries

(1) Net Incurred Losses for interim results

(Yen in 100 millions)

	Items	Six months ended September 30, 2018	Six months ended September 30, 2019	Change
Total	1	1,770	677	(1,093)
Mitsui Sumitomo Insurance	2	860	396	(464)
Aioi Nissay Dowa Insurance	3	910	281	(682)

(2) Net Incurred Losses for full-year forecasts

(Yen in 100 millions)

	Items	Year ended March 31, 2019	Forecasts for year ending March 31, 2020	Change
Total	4	2,108	1,230	(878)
Mitsui Sumitomo Insurance	5	1,089	700	(389)
Aioi Nissay Dowa Insurance	6	1,018	530	(488)

The net incurred losses in the above tables, (1) and (2) are the amounts remaining after deducting reinsurance recoveries.

Estimated final incurred losses caused by typhoons (before deducting reinsurance recoveries) for the year ending March 31, 2020 are approximately ¥135.0 billion of typhoon "Faxai" and approximately ¥230.0 billion of typhoon "Hagibis".

Estimated final incurred losses have been estimated based on current available information but actual results may differ from the above depending on future accident reports, damage investigation and other factors.

(Reference)

2. Temporary impact on earnings from reorganization of international business

(1) Outline of reorganization of international business

- To enhance Mitsui Sumitomo Insurance (“MSI”) Head Office’s business framework, current International Department will be reorganized to International Planning Department which will be responsible for planning the overall strategy of international business, and International Business Department which will oversee regional strategies and business promotion and management. MSI Head Office departments such as Accounting Department, Investment Planning Department, Corporate Risk Management Department, and Information Technology Planning Department will expand support for international business.
- Regional Holding company framework, will be terminated and in general international subsidiaries under each Regional Holding company will become direct subsidiaries of MSI Head Office. The current functions and authorities pertaining to the strategy planning at the regional holding companies will be consolidated to MSI Head Office.

(2) Temporary impact on earnings from reorganization of international business

1. Goodwill,etc impairment loss: -175.4 billion yen (after tax impact -160 billion yen)

Along with the elimination of the regional holding companies and the transition to a structure under MSI's direct management, the business classification for the purposes of determining MS Amlin goodwill,etc impairment will be reexamined, and the Europe primary insurance business, the Lloyd's business, and the reinsurance business which had been seen as one group under MS Amlin will be treated as 3 groups.

Of the 3 groups, the Europe primary insurance business and the Lloyd's business are less profitable than expected when acquired, so impairment losses will be booked.

2. Reorganization-associated tax expense decrease: +170.5 billion yen

Because the subsidiary shares held by the regional holding companies will be transferred to MSI as an in-kind dividend in association with the reorganization into the International Business, there will be a loss for tax purposes.

Visual representation of the MS Amlin reorganization

