

[Attachment]

Explanatory Material for Business Results for the Year Ended March 31, 2021

May 20, 2021

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	Year ended March 31, 2020	Year ended March 31, 2021	Change	Change ratio
Net premiums written (non-life insurance)	1	35,737	35,009	(727)	(2.0)
Mitsui Sumitomo Insurance	2	15,479	15,595	116	0.8
Aioi Nissay Dowa Insurance	3	12,767	12,814	46	0.4
Simple sum	4	28,247	28,409	162	0.6
Mitsui Direct General Insurance	5	363	364	1	0.3
Overseas insurance subsidiaries	6	7,119	6,235	(883)	(12.4)
Insurance premiums (domestic life insurance)	7	13,934	12,973	(960)	(6.9)
Mitsui Sumitomo Aioi Life Insurance	8	5,212	5,119	(93)	(1.8)
Mitsui Sumitomo Primary Life Insurance	9	8,721	7,854	(867)	(9.9)
Ordinary profit	10	1,577	3,065	1,488	94.4
Net income attributable to owners of the parent	11	1,430	1,443	13	1.0
Mitsui Sumitomo Insurance	12	940	922	(18)	(2.0)
Aioi Nissay Dowa Insurance	13	447	216	(231)	(51.7)
Simple sum	14	1,388	1,138	(250)	(18.0)
Mitsui Direct General Insurance	15	1	8	7	514.4
Mitsui Sumitomo Aioi Life Insurance	16	75	119	44	58.8
Mitsui Sumitomo Primary Life Insurance	17	203	431	228	112.3
Overseas insurance subsidiaries	18	361	(31)	(393)	(108.8)
Others, consolidation adjustments, etc.	19	(599)	(221)	377	-
One-time amortization of goodwill related to an affiliate	20	(366)	-	366	-
Provision/reversal of reserve for losses on sales of shares of subsidiaries and associates	21	(169)	81	250	-

(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.

(Supplement 1) Incurred Losses Caused by the Spread of COVID-19

(Yen in 100 millions)

	Items	Year ended March 31, 2021
Total	22	658
Mitsui Sumitomo Insurance	23	52
Aioi Nissay Dowa Insurance	24	167
Overseas insurance subsidiaries	25	438

(Note) The amounts include incurred losses of profit insurance (fire and allied insurance), guarantee and credit insurance, and event cancellation insurance, etc.

(Supplement 2) Incurred Losses Caused by Natural Disasters in Japan, Excluding Residential Earthquake Insurance, of Two Main Consolidated Domestic Non-Life Insurance Subsidiaries

(Yen in 100 millions)

	Items	Year ended March 31, 2020	Year ended March 31, 2021	Change
Total	26	1,305	711	(593)
Mitsui Sumitomo Insurance	27	711	427	(283)
Aioi Nissay Dowa Insurance	28	594	283	(310)

(Supplement 3) Incurred Losses Caused by Overseas Natural Disasters

(Yen in 100 millions)

	Items	Year ended March 31, 2020	Year ended March 31, 2021	Change
Total	29	197	537	340
Aioi Nissay Dowa Insurance	30	84	165	80
Overseas insurance subsidiaries (MS Amlin)	31	112	230	118
Other subsidiaries	32	-	21	21
Consolidation adjustments	33	-	120	120

(Notes) 1. The scope of aggregation for overseas natural disasters is determined on the basis of internal management.

2. Consolidation adjustments are the amounts of additional entries related to North American winter storm in February 2021 which occurred at overseas insurance subsidiaries (fiscal year end: December 31) in the first quarter of 2021.

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

The figures in the tables below are presented as simple sum of Mitsui Sumitomo Insurance Co., Ltd. and Aioi Nissay Dowa Insurance Co., Ltd.

(Yen in 100 millions)

	Items	Year ended March 31, 2020	Year ended March 31, 2021	Change	Change ratio %
(+)	Net premiums written	28,247	28,409	162	0.6
(-)	Net claims paid	16,133	15,153	(979)	(6.1)
(-)	Loss adjustment expenses	1,573	1,682	108	6.9
(-)	Commissions and collection expenses	5,301	5,531	230	4.4
(-)	Operating expenses and general and administrative expenses for underwriting	4,056	4,050	(6)	(0.2)
	Underwriting profit before movements in reserves	1,182	1,991	809	68.5
(-)	Movement in outstanding claims	(224)	569	793	-
(-)	Movement in ordinary underwriting reserves	1,068	833	(235)	(22.0)
(+)	Other	80	178	98	123.1
	Underwriting profit before movement in catastrophe reserve	418	767	349	83.5
(-)	Movement in catastrophe reserve	333	653	319	95.9
	Underwriting profit	84	114	29	34.8
(+)	Interest and dividends income	1,613	1,537	(75)	(4.7)
(-)	Transfer of investment income on deposit premiums from policyholders	452	417	(34)	(7.6)
	Net interest and dividends income (item 13 - item 14)	1,160	1,119	(41)	(3.5)
(+)	Gains/(losses) on sales of securities	859	672	(187)	(21.8)
(-)	Impairment losses on securities	319	18	(300)	(94.2)
(+)	Other	(208)	(111)	97	-
	Investment profit	1,492	1,662	169	11.4
(+)	Other ordinary profit/(loss)	(99)	(135)	(35)	-
	Ordinary profit	1,477	1,640	163	11.1
(+)	Extraordinary income/(losses):	(1,463)	(70)	1,393	-
	Gains/(losses) on reserve for price fluctuation	402	(59)	(462)	(114.7)
	Losses on valuation of shares of subsidiaries and associates	(1,863)	-	1,863	-
	Income before income taxes	13	1,570	1,557	11,397.0
(-)	Income taxes	(1,374)	432	1,807	-
	Net income	1,388	1,138	(250)	(18.0)

Ratios	Net loss ratio	Note 1	28	62.7 %	59.3 %	(3.4) %	
	Net expense ratio	Note 2	29	33.1 %	33.7 %	0.6 %	
	Combined ratio	Note 3	30	95.8 %	93.0 %	(2.8) %	

Incurred losses (including loss adjustment expenses)		Note 4, 5	31	14,991	15,091	99	0.7
	EI loss ratio	Note 4, 6	32	61.7 %	60.5 %	(1.2) %	

- (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	Year ended March 31, 2020	Year ended March 31, 2021	Change	Change ratio
Amount of new policies ^(Note)	1	20,684	17,690	(2,994)	(14.5) %
Annualized premiums of new policies	2	293	262	(31)	(10.6) %
Amount of policies in force ^(Note)	3	244,580	242,669	(1,910)	(0.8) %
Annualized premiums for policies in force	4	4,481	4,479	(1)	(0.0) %
Insurance premiums	5	5,212	5,119	(93)	(1.8) %
Ordinary profit	6	186	256	69	37.3 %
Extraordinary income/(losses)	7	(9)	(14)	(4)	-
Net income	8	75	119	44	58.8 %

(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	Year ended March 31, 2020	Year ended March 31, 2021	Change	Change ratio
Amount of new policies ^(Note)	1	8,827	7,882	(944)	(10.7) %
Amount of policies in force ^(Note)	2	65,140	65,958	818	1.3 %
Insurance premiums	3	8,721	7,854	(867)	(9.9) %
Ordinary profit	4	314	1,600	1,286	408.9 %
Extraordinary income/(losses)	5	(35)	(1,005)	(970)	-
Net income	6	203	431	228	112.3 %

(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	Year ended March 31, 2020	Year ended March 31, 2021	Change	Change ratio %
Net premiums written	1	7,119	6,235	(883)	(12.4)
Asia	2	1,796	1,693	(102)	(5.7)
Europe	3	4,879	4,133	(746)	(15.3)
Americas	4	442	407	(34)	(7.8)
Net income/(loss) attributable to owners of the parent	5	361	(31)	(393)	(108.8)
Asia	6	178	239	60	33.8
Europe	7	48	(311)	(359)	(743.9)
Americas	8	29	42	13	44.2
International life insurance	9	104	(2)	(107)	(102.3)

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

(1) Business Results

(Yen in 100 millions)

	Items	Year ended March 31, 2020	Year ended March 31, 2021	Change	Change ratio
(+) Net premiums written	1	15,479	15,595	116	0.8 %
(-) Net claims paid	2	8,886	8,353	(532)	(6.0)
(-) Loss adjustment expenses	3	906	969	63	7.0
(-) Commissions and collection expenses	4	2,783	2,919	136	4.9
(-) Operating expenses and general and administrative expenses for underwriting	5	2,163	2,186	23	1.1
Underwriting profit before movements in reserves	6	739	1,165	426	57.7
(-) Movement in outstanding claims	7	(135)	337	473	-
(-) Movement in ordinary underwriting reserves	8	631	314	(316)	(50.1)
(+) Other	9	52	46	(5)	(11.4)
Underwriting profit before movement in catastrophe reserve	10	296	559	263	89.0
(-) Movement in catastrophe reserve	11	222	320	97	43.9
Underwriting profit	12	73	239	165	225.3
(+) Interest and dividends income	13	1,019	988	(30)	(3.0)
(-) Transfer of investment income on deposit premiums from policyholders	14	301	280	(20)	(6.9)
Net interest and dividends income (item 13 - item 14)	15	718	708	(10)	(1.4)
(+) Gains/(losses) on sales of securities	16	538	497	(41)	(7.6)
(-) Impairment losses on securities	17	208	9	(199)	(95.7)
(+) Other	18	(108)	(17)	90	-
Investment profit	19	939	1,178	239	25.5
(+) Other ordinary profit/(loss)	20	(121)	(101)	19	-
Ordinary profit	21	891	1,316	424	47.7
(+) Extraordinary income/(losses):	22	(1,281)	6	1,287	-
Gains/(losses) on reserve for price fluctuation	23	569	(41)	(611)	(107.2)
Losses on valuation of shares of subsidiaries and associates	24	(1,863)	-	1,863	-
Income/(loss) before income taxes	25	(389)	1,322	1,712	-
(-) Income taxes	26	(1,330)	400	1,731	-
Net income	27	940	922	(18)	(2.0)

Ratios	Net loss ratio	Note 1	28	63.3 %	59.8 %	(3.5) %	
	Net expense ratio	Note 2	29	32.0 %	32.7 %	0.7 %	
	Combined ratio	Note 3	30	95.3 %	92.5 %	(2.8) %	
	Interest and dividends income yield		31	1.94 %	1.95 %	0.01 %	
	Investment profit yield	Note 4	32	2.53 %	3.05 %	0.52 %	

Incurred losses (including loss adjustment expenses)		Note 5, 6	33	8,301	8,394	92	1.1
EI loss ratio		Note 5, 7	34	61.8 %	60.8 %	(1.0) %	

- (Notes) 1. Net loss ratio = (net claims paid + loss adjustment expenses) / net premiums written x 100
2. Net expense ratio = (commissions and collection expenses + operating expenses and general and administrative expenses for underwriting) / net premiums written x 100
3. Combined ratio = net loss ratio + net expense ratio
4. Total investment yield (including unrealized gains and losses): (2.36)% for the year ended March 31, 2020, and 11.00% for the year ended March 31, 2021
5. The calculation is exclusive of residential earthquake insurance and CALI.
6. Incurred losses (including loss adjustment expenses) = net claims paid + loss adjustment expenses + movement in outstanding claims
7. 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)			
	Year ended March 31, 2020		Year ended March 31, 2021		Year ended March 31, 2020		Year ended March 31, 2021	
	Amount	Change ratio %	Amount	Change ratio %	Amount	Change ratio %	Amount	Change ratio %
Fire and allied	2,060	3.6	2,333	13.3	3,244	9.8	3,504	8.0
Marine	619	(0.6)	530	(14.3)	847	2.3	776	(8.4)
Personal accident	1,466	(3.1)	1,457	(0.6)	1,570	(2.3)	1,481	(5.7)
Voluntary automobile	6,703	2.0	6,834	2.0	6,763	1.9	6,906	2.1
CALI	1,838	3.2	1,573	(14.4)	1,692	(0.2)	1,436	(15.2)
Other	2,790	5.4	2,866	2.7	3,281	6.4	3,481	6.1
Total	15,479	2.3	15,595	0.8	17,400	3.5	17,585	1.1

(3) Net claims paid

(Yen in 100 millions)

	Year ended March 31, 2020			Year ended March 31, 2021			
	Amount	Change ratio %	Net loss ratio %	Amount	Change ratio %	Net loss ratio %	Change %
Fire and allied	1,607	(20.8)	80.8	1,437	(10.6)	63.8	(17.0)
Marine	360	11.7	60.9	347	(3.6)	68.1	7.2
Personal accident	709	(0.6)	53.0	673	(5.0)	50.2	(2.8)
Voluntary automobile	3,474	1.3	60.4	3,187	(8.3)	56.5	(3.9)
CALI	1,256	(5.5)	75.2	1,166	(7.2)	81.6	6.4
Other	1,477	15.0	55.3	1,541	4.3	55.8	0.5
Total	8,886	(2.4)	63.3	8,353	(6.0)	59.8	(3.5)

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

(Reference) Incurred losses caused by natural disasters in Japan

(Yen in 100 millions)

	Year ended March 31, 2020			Year ended March 31, 2021		
	Incurred losses	Net claims paid	Outstanding claims	Incurred losses	Net claims paid	Outstanding claims
Fire and allied	585	537	47	384	330	54
Voluntary automobile	48	59	(11)	15	23	(7)
Other	77	46	30	27	22	4
Total	711	643	67	427	376	51

(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	Year ended March 31, 2020			Year ended March 31, 2021		
		Amount	Change	Change ratio %	Amount	Change	Change ratio %
Personnel expenses	1	1,648	(25)	(1.5)	1,635	(12)	(0.8)
Non-personnel expenses	2	1,422	91	6.9	1,525	102	7.2
Taxes and contributions	3	128	4	3.6	131	2	2.3
Total	4	3,199	70	2.2	3,292	92	2.9

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

<Expenses for underwriting>

(Yen in 100 millions)

	Items	Year ended March 31, 2020			Year ended March 31, 2021		
		Amount	Change	Change ratio %	Amount	Change	Change ratio %
Operating expenses and general and administrative expenses	5	2,163	51	2.4	2,186	23	1.1
Commissions and collection expenses	6	2,783	129	4.9	2,919	136	4.9
Total	7	4,946	180	3.8	5,106	159	3.2
Net expense ratio	8	32.0 %	0.5 %		32.7 %	0.7 %	

(5) Outstanding claims

(Yen in 100 millions)

	March 31, 2020		March 31, 2021	
	Balance		Balance	
		Movement		Movement
Fire and allied	918	(179)	1,292	369
Marine	297	(5)	245	(54)
Personal accident	442	11	436	(6)
Voluntary automobile	2,418	(91)	2,368	(50)
CALI	447	(25)	411	(36)
Other	1,767	153	1,932	115
Total	6,292	(135)	6,687	337

(Notes) 1. Movement for the year ended March 31, 2020 is not consistent with the change from the balance on March 31, 2019 mainly due to the effect of long-term third sector insurance contracts transferred to Mitsui Sumitomo Aioi Life Insurance Co., Ltd.
2. Movement for the year ended March 31, 2021 is not consistent with the change from the balance on March 31, 2020 due to the effect of insurance contracts transferred from MSIG Insurance Europe AG.

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

(Yen in 100 millions)

	Year ended March 31, 2020		Year ended March 31, 2021			
	Incurred losses (including loss adjustment expenses)	EI loss ratio	Incurred losses (including loss adjustment expenses)	Change	EI loss ratio	Change
		%			%	%
Fire and allied	1,486	77.0	1,837	351	85.5	8.5
Marine	371	59.8	307	(63)	56.2	(3.6)
Personal accident	788	53.2	726	(62)	48.7	(4.5)
Voluntary automobile	3,957	59.4	3,807	(149)	55.9	(3.5)
Other	1,697	62.1	1,714	17	61.1	(1.0)
Total	8,301	61.8	8,394	92	60.8	(1.0)

(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)

		March 31, 2021				
		Total underwriting reserves	Ordinary underwriting reserves	Reserve for refunds and dividends to policyholders	Catastrophe reserve	Contingency reserve
Fire and allied	Balance	8,019	6,720	289	1,009	-
	Movement	(108)	148	(267)	10	-
Marine	Balance	1,077	276	-	800	-
	Movement	(13)	(0)	-	(12)	-
Personal accident	Balance	10,117	595	8,726	794	-
	Movement	(426)	73	(546)	46	-
Voluntary automobile	Balance	3,259	2,062	-	1,197	-
	Movement	237	18	-	218	-
CALI	Balance	2,843	2,843	-	-	-
	Movement	34	34	-	-	-
Other	Balance	5,321	2,844	512	1,964	-
	Movement	45	41	(53)	57	-
Total	Balance	30,638	15,342	9,528	5,767	-
	Movement	(232)	314	(867)	320	-

(Notes) 1. Reserves for residential earthquake insurance and CALI are included in ordinary underwriting reserves.
2. Movement for the year ended March 31, 2021 is not consistent with the change from the balance on March 31, 2020 due to the effect of insurance contracts transferred from MSIG Insurance Europe AG.

(8) Catastrophe reserve

(Yen in 100 millions)

	March 31, 2020		March 31, 2021			
	Balance	Reserve ratio	Reversal	Provision	Balance	Reserve ratio
		%				%
Fire and allied	998	48.6	212	223	1,009	43.3
Marine	813	131.4	26	13	800	150.9
Personal accident	748	51.0	-	46	794	54.5
Voluntary automobile	978	14.6	-	218	1,197	17.5
Other	1,907	68.4	33	90	1,964	68.6
Total	5,446	39.9	272	592	5,767	41.1

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

(9) Investment assets

(Yen in 100 millions)

	March 31, 2020	March 31, 2021	
			Change
Cash, deposits and savings	5,009	4,904	(104)
Investments in securities:	49,255	54,943	5,688
Domestic bonds	15,342	15,078	(264)
Domestic stocks	14,339	18,936	4,597
Foreign securities	18,948	20,147	1,199
Other securities	624	781	156
Loans	4,006	4,233	227
Land and buildings	1,900	1,870	(29)
Total	60,171	65,952	5,781

(Reference)

Long-term investment assets	10,394	9,526	(867)
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(Reference) Breakdown of domestic bonds

(Yen in 100 millions)

	March 31, 2020	March 31, 2021	
			Change
Government bonds	8,744	8,436	(307)
Municipal bonds	924	864	(60)
Corporate bonds:	5,674	5,777	103
Government agency bonds	902	790	(111)
Specific financial institution bonds	7	8	0
Other corporate bonds	4,764	4,979	215
Total	15,342	15,078	(264)

(10) Breakdown of interest and dividends income

(Yen in 100 millions)

	Year ended March 31, 2020	Year ended March 31, 2021	
			Change
Investments in securities:	913	892	(21)
Domestic bonds	163	151	(11)
Domestic stocks	452	405	(47)
Foreign securities	262	274	12
Other securities	36	61	25
Loans	29	26	(2)
Land and buildings	64	63	(1)
Other	11	6	(4)
Total	1,019	988	(30)

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

(Yen in 100 millions)

March 31, 2021	Cost	Fair value	Difference	Change from March 31, 2020
Domestic bonds	13,950	15,078	1,127	(215)
Domestic stocks	5,517	18,544	13,026	4,917
Foreign securities	4,840	5,176	336	301
Other securities	319	379	60	68
Total	24,627	39,178	14,550	5,071

(Yen in 100 millions)

March 31, 2020	Cost	Fair value	Difference
Domestic bonds	13,999	15,342	1,343
Domestic stocks	5,836	13,945	8,108
Foreign securities	4,587	4,622	35
Other securities	345	336	(8)
Total	24,768	34,246	9,478

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

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

Gains and losses on sales of securities

(Yen in 100 millions)

	Year ended March 31, 2020 Gains/(losses)	Year ended March 31, 2021 Gains/(losses)		
			Gains	Losses
Domestic bonds	48	5	6	1
Domestic stocks	360	448	452	3
Foreign securities	120	42	51	8
Other securities	9	0	0	-
Total	538	497	511	13

Impairment losses on securities

(Yen in 100 millions)

	Year ended March 31, 2020	Year ended March 31, 2021	Change
Domestic bonds	-	-	-
Domestic stocks	175	8	(166)
Foreign securities	33	0	(32)
Other securities	-	-	-
Total	208	9	(199)

(Note) Apart from the above, Losses on valuation of shares of subsidiaries and associates of ¥186.3 billion was recorded under Extraordinary losses in the year ended March 31, 2020.

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

(1) Business Results

(Yen in 100 millions)

	Items	Year ended March 31, 2020	Year ended March 31, 2021	Change	Change ratio
					%
(+)	Net premiums written	12,767	12,814	46	0.4
(-)	Net claims paid	7,246	6,799	(446)	(6.2)
(-)	Loss adjustment expenses	666	712	45	6.9
(-)	Commissions and collection expenses	2,517	2,612	94	3.7
(-)	Operating expenses and general and administrative expenses for underwriting	1,893	1,863	(29)	(1.6)
	Underwriting profit before movements in reserves	443	826	383	86.5
(-)	Movement in outstanding claims	(88)	231	320	-
(-)	Movement in ordinary underwriting reserves	437	518	81	18.6
(+)	Other	27	132	104	377.1
	Underwriting profit before movement in catastrophe reserve	122	208	86	70.4
(-)	Movement in catastrophe reserve	110	333	222	200.3
	Underwriting profit/(loss)	11	(124)	(136)	(1,208.0)
(+)	Interest and dividends income	593	549	(44)	(7.6)
(-)	Transfer of investment income on deposit premiums from policyholders	151	137	(13)	(9.1)
	Net interest and dividends income (item 13 - item 14)	442	411	(31)	(7.0)
(+)	Gains/(losses) on sales of securities	320	174	(145)	(45.5)
(-)	Impairment losses on securities	110	9	(100)	(91.3)
(+)	Other	(100)	(93)	6	-
	Investment profit	553	483	(69)	(12.6)
(+)	Other ordinary profit/(loss)	21	(34)	(55)	(257.3)
	Ordinary profit	586	324	(261)	(44.6)
(+)	Extraordinary income/(losses):	(182)	(76)	106	-
	Gains/(losses) on reserve for price fluctuation	(167)	(18)	149	-
	Income before income taxes	403	248	(155)	(38.5)
(-)	Income taxes	(44)	32	76	-
	Net income	447	216	(231)	(51.7)

Ratios	Net loss ratio	Note 1	27	62.0 %	58.6 %	(3.4) %	
	Net expense ratio	Note 2	28	34.5 %	34.9 %	0.4 %	
	Combined ratio	Note 3	29	96.5 %	93.5 %	(3.0) %	
	Interest and dividends income yield		30	2.36 %	2.15 %	(0.21) %	
	Investment profit yield	Note 4	31	3.06 %	2.70 %	(0.36) %	

Incurred losses (including loss adjustment expenses)		Note 5, 6	32	6,690	6,697	6	0.1
EI loss ratio		Note 5, 7	33	61.6 %	60.1 %	(1.5) %	

- (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. Total investment yield (including unrealized gains and losses): (1.87)% for the year ended March 31, 2020, and 12.4% for the year ended March 31, 2021
5. The calculation is exclusive of residential earthquake insurance and CALI.
6. Incurred losses (including loss adjustment expenses) = net claims paid + loss adjustment expenses + movement in outstanding claims
7. 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)			
	Year ended March 31, 2020		Year ended March 31, 2021		Year ended March 31, 2020		Year ended March 31, 2021	
	Amount	Change ratio %	Amount	Change ratio %	Amount	Change ratio %	Amount	Change ratio %
Fire and allied	1,992	8.4	2,077	4.3	2,451	13.0	2,631	7.3
Marine	72	(10.8)	69	(3.7)	0	1,611.5	0	(99.7)
Personal accident	569	(11.0)	579	1.8	609	(8.7)	625	2.5
Voluntary automobile	7,130	4.1	7,295	2.3	6,759	2.3	6,973	3.2
CALI	1,628	2.3	1,432	(12.0)	1,784	1.1	1,532	(14.1)
Other	1,374	3.2	1,359	(1.1)	1,531	2.9	1,597	4.3
Total	12,767	3.5	12,814	0.4	13,137	3.5	13,360	1.7

(3) Net claims paid

(Yen in 100 millions)

	Year ended March 31, 2020			Year ended March 31, 2021			
	Amount	Change ratio %	Net loss ratio %	Amount	Change ratio %	Net loss ratio %	Change %
Fire and allied	1,422	(25.2)	73.8	1,306	(8.2)	66.3	(7.5)
Marine	49	7.0	68.7	39	(20.3)	56.9	(11.8)
Personal accident	258	(4.5)	51.2	254	(1.4)	50.4	(0.8)
Voluntary automobile	3,785	2.2	59.4	3,487	(7.9)	54.3	(5.1)
CALI	1,070	(6.4)	71.4	980	(8.5)	74.5	3.1
Other	660	3.2	50.9	731	10.8	56.9	6.0
Total	7,246	(6.0)	62.0	6,799	(6.2)	58.6	(3.4)

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

(Reference) Incurred losses caused by natural disasters in Japan

(Yen in 100 millions)

	Year ended March 31, 2020			Year ended March 31, 2021		
	Incurred losses	Net claims paid	Outstanding claims	Incurred losses	Net claims paid	Outstanding claims
Fire and allied	496	464	31	256	258	(1)
Voluntary automobile	57	68	(10)	16	24	(7)
Other	40	20	20	10	6	3
Total	594	553	40	283	290	(6)

(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	Year ended March 31, 2020			Year ended March 31, 2021		
		Amount	Change	Change ratio %	Amount	Change	Change ratio %
Personnel expenses	1	1,272	10	0.8	1,267	(4)	(0.4)
Non-personnel expenses	2	1,267	89	7.6	1,318	50	4.0
Taxes and contributions	3	115	5	5.3	97	(18)	(15.7)
Total	4	2,656	106	4.2	2,683	27	1.0

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

<Expenses for underwriting>

(Yen in 100 millions)

	Items	Year ended March 31, 2020			Year ended March 31, 2021		
		Amount	Change	Change ratio %	Amount	Change	Change ratio %
Operating expenses and general and administrative expenses	5	1,893	106	5.9	1,863	(29)	(1.6)
Commissions and collection expenses	6	2,517	133	5.6	2,612	94	3.7
Total	7	4,411	240	5.8	4,475	64	1.5
Net expense ratio	8	34.5 %	0.7 %		34.9 %	0.4 %	

(5) Outstanding claims

(Yen in 100 millions)

	March 31, 2020		March 31, 2021	
	Balance	Movement	Balance	Movement
Fire and allied	1,034	(14)	1,339	305
Marine	65	(13)	75	9
Personal accident	244	12	270	26
Voluntary automobile	2,841	(130)	2,706	(135)
CALI	384	(28)	351	(32)
Other	1,074	86	1,132	58
Total	5,644	(88)	5,876	231

(Note) Movement for the year ended March 31, 2020 is not consistent with the change from the balance on March 31, 2019 mainly due to the effect of long-term third sector insurance contracts transferred to Mitsui Sumitomo Aioi Life Insurance Co., Ltd.

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

(Yen in 100 millions)

	Year ended March 31, 2020		Year ended March 31, 2021			
	Incurred losses (including loss adjustment expenses)	EI loss ratio	Incurred losses (including loss adjustment expenses)	Change	EI loss ratio	Change
		%			%	%
Fire and allied	1,456	79.8	1,670	214	86.9	7.1
Marine	36	48.1	49	13	71.4	23.3
Personal accident	303	53.9	318	15	54.9	1.0
Voluntary automobile	4,107	58.2	3,826	(281)	53.0	(5.2)
Other	786	58.9	831	45	61.2	2.3
Total	6,690	61.6	6,697	6	60.1	(1.5)

(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)

		March 31, 2021				
		Total underwriting reserves	Ordinary underwriting reserves	Reserve for refunds and dividends to policyholders	Catastrophe reserve	Contingency reserve
Fire and allied	Balance	6,770	5,539	303	923	4
	Movement	220	265	(110)	64	0
Marine	Balance	128	31	-	97	-
	Movement	(2)	(1)	-	(1)	-
Personal accident	Balance	3,725	226	2,813	680	4
	Movement	(182)	(0)	(200)	18	0
Voluntary automobile	Balance	3,044	2,198	39	805	0
	Movement	440	202	4	233	0
CALI	Balance	2,618	2,618	-	-	-
	Movement	40	40	-	-	-
Other	Balance	2,266	1,345	134	786	0
	Movement	14	12	(16)	18	0
Total	Balance	18,554	11,959	3,292	3,292	9
	Movement	530	518	(322)	333	0

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

(8) Catastrophe reserve

(Yen in 100 millions)

	March 31, 2020		March 31, 2021			
	Balance	Reserve ratio	Reversal	Provision	Balance	Reserve ratio
		%				%
Fire and allied	858	43.1	286	351	923	44.5
Marine	98	136.2	3	1	97	138.9
Personal accident	662	116.4	-	18	680	117.5
Voluntary automobile	571	8.0	-	233	805	11.0
Other	768	55.9	21	39	786	57.8
Total	2,959	26.6	311	644	3,292	28.9

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

(9) Investment assets

(Yen in 100 millions)

	March 31, 2020	March 31, 2021	
			Change
Cash, deposits and savings	1,765	2,037	272
Investments in securities:	23,176	26,434	3,257
Domestic bonds	8,290	7,873	(417)
Domestic stocks	6,969	9,521	2,551
Foreign securities	7,158	8,018	859
Other securities	757	1,020	263
Loans	2,181	2,329	148
Land and buildings	1,598	1,703	104
Total	28,721	32,504	3,782

(Reference)

Long-term investment assets	3,578	3,252	(326)
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(Reference) Breakdown of domestic bonds

(Yen in 100 millions)

	March 31, 2020	March 31, 2021	
			Change
Government bonds	4,870	4,491	(379)
Municipal bonds	366	401	34
Corporate bonds:	3,052	2,980	(72)
Government agency bonds	515	508	(7)
Specific financial institution bonds	54	9	(45)
Other corporate bonds	2,483	2,463	(19)
Total	8,290	7,873	(417)

(10) Breakdown of interest and dividends income

(Yen in 100 millions)

	Year ended March 31, 2020	Year ended March 31, 2021	
			Change
Investments in securities:	509	472	(37)
Domestic bonds	85	78	(6)
Domestic stocks	208	184	(23)
Foreign securities	158	163	5
Other securities	57	45	(12)
Loans	20	21	0
Land and buildings	47	47	(0)
Other	15	8	(7)
Total	593	549	(44)

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

(Yen in 100 millions)

March 31, 2021	Cost	Fair value	Difference	Change from March 31, 2020
Domestic bonds	7,412	7,873	461	(78)
Domestic stocks	3,713	9,254	5,540	2,630
Foreign securities	6,574	7,147	573	249
Other securities	821	894	72	93
Total	18,521	25,170	6,648	2,895

(Yen in 100 millions)

March 31, 2020	Cost	Fair value	Difference
Domestic bonds	7,750	8,290	540
Domestic stocks	3,798	6,708	2,910
Foreign securities	5,957	6,282	324
Other securities	672	651	(20)
Total	18,179	21,932	3,753

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

Gains and losses on sales of securities

(Yen in 100 millions)

	Year ended March 31, 2020 Gains/(losses)	Year ended March 31, 2021 Gains/(losses)	Gains	Losses
Domestic bonds	22	6	11	4
Domestic stocks	298	113	115	2
Foreign securities	(0)	55	71	16
Other securities	-	-	-	-
Total	320	174	198	23

Impairment losses on securities

(Yen in 100 millions)

	Year ended March 31, 2020	Year ended March 31, 2021	Change
Domestic bonds	-	-	-
Domestic stocks	109	3	(106)
Foreign securities	0	5	5
Other securities	-	-	-
Total	110	9	(100)

4. Earnings Forecasts

(1) Consolidated Business Results

(Yen in 100 millions)

	Items	Results for year ended March 31, 2021	Forecasts for year ending March 31, 2022	Change from previous year
Net premiums written (non-life insurance)	1	35,009	36,130	1,120
Mitsui Sumitomo Insurance	2	15,595	15,660	64
Aioi Nissay Dowa Insurance	3	12,814	12,870	55
Simple sum	4	28,409	28,530	120
Mitsui Direct General Insurance	5	364	364	-
Overseas insurance subsidiaries	6	6,235	7,240	1,004
Insurance premiums (domestic life insurance)	7	12,973	12,000	(973)
Mitsui Sumitomo Aioi Life Insurance	8	5,119	5,000	(119)
Mitsui Sumitomo Primary Life Insurance	9	7,854	7,000	(854)
Ordinary profit	10	3,065	3,300	234
Net income attributable to owners of the parent	11	1,443	2,300	856
Mitsui Sumitomo Insurance	12	922	1,310	387
Aioi Nissay Dowa Insurance	13	216	430	213
Simple sum	14	1,138	1,740	601
Mitsui Direct General Insurance	15	8	1	(7)
Mitsui Sumitomo Aioi Life Insurance	16	119	180	60
Mitsui Sumitomo Primary Life Insurance	17	431	230	(201)
Overseas insurance subsidiaries	18	(31)	550	581
Others, consolidation adjustments, etc.	19	(221)	(401)	(179)
Annual total of dividends per share	20	155.00 yen	160.00 yen	5.00 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	
		Forecasts for year ending March 31, 2022	Change from previous year	Forecasts for year ending March 31, 2022	Change from previous year	Forecasts for year ending March 31, 2022	Change from previous year
Net premiums written	1	28,530	120	15,660	64	12,870	55
Growth rate of net premiums written	2	0.4 %	(0.2) %	0.4 %	(0.4) %	0.4 %	0.0 %
Net loss ratio ^(Note 1)	3	62.7 %	3.4 %	62.0 %	2.2 %	63.5 %	4.9 %
Net expense ratio ^(Note 2)	4	34.0 %	0.3 %	33.2 %	0.5 %	35.0 %	0.1 %
Combined ratio ^(Note 3)	5	96.7 %	3.7 %	95.2 %	2.7 %	98.5 %	5.0 %
EI loss ratio ^(Note 4, 5)	6	60.5 %	0.0 %	59.5 %	(1.3) %	61.8 %	1.7 %
Underwriting profit	7	920	805	620	380	300	424
Investment profit	8	1,650	(12)	1,250	71	400	(83)
Ordinary profit	9	2,400	759	1,750	433	650	325
Net income	10	1,740	601	1,310	387	430	213

(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 CALL.

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, 2022 are assumed to be ¥40.0 billion at Mitsui Sumitomo Insurance Co., Ltd. and ¥30.0 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 March 31, 2021.

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)

	Year ended March 31, 2020	Year ended March 31, 2021	Change	Change ratio
Ordinary income and expenses:				
Underwriting income:	46,405	34,253	(12,152)	(26.2) %
Net premiums written	35,737	35,009	(727)	(2.0)
Deposit premiums from policyholders	755	726	(29)	(3.9)
Life insurance premiums	9,437	(2,023)	(11,460)	(121.4)
Underwriting expenses:	37,498	38,004	506	1.3
Net claims paid	20,272	19,022	(1,249)	(6.2)
Loss adjustment expenses	1,773	1,887	114	6.4
Commissions and collection expenses	7,274	7,353	78	1.1
Maturity refunds to policyholders	2,206	2,211	4	0.2
Life insurance claims	3,766	4,054	288	7.7
Provision for outstanding claims	199	1,331	1,131	566.9
Provision for underwriting reserves	1,961	2,089	127	6.5
Investment income:	5,115	14,507	9,392	183.6
Interest and dividends income	3,045	2,935	(109)	(3.6)
Investment gains on money trusts	646	2,128	1,481	229.3
Investment gains on trading securities	556	356	(200)	(36.0)
Gains on sales of securities	1,188	2,333	1,145	96.4
Investment gains on separate accounts	-	3,117	3,117	-
Investment expenses:	5,129	696	(4,432)	(86.4)
Investment losses on money trusts	473	0	(473)	(100.0)
Losses on sales of securities	180	80	(99)	(55.1)
Impairment losses on securities	396	71	(325)	(82.1)
Investment losses on separate accounts	574	-	(574)	(100.0)
Losses on derivative transactions	185	468	282	152.5
Operating expenses and general and administrative expenses	6,946	6,885	(60)	(0.9)
Other ordinary income and expenses:	(369)	(109)	260	-
Gains/(losses) on equity method investments	(308)	(66)	242	-
Ordinary profit	1,577	3,065	1,488	94.4
Extraordinary income and losses:				
Extraordinary income	514	159	(355)	(69.0)
Reversal of reserve for price fluctuation	358	-	(358)	(100.0)
Extraordinary losses	1,966	1,207	(759)	(38.6)
Provision for reserve for price fluctuation	-	1,075	1,075	-
Extraordinary income/(losses)	(1,451)	(1,047)	403	-
Income before income taxes	125	2,017	1,892	1,513.1
Income taxes - current	344	932	588	170.8
Income taxes - deferred	(1,674)	(391)	1,283	-
Total income taxes	(1,330)	540	1,871	-
Net income	1,455	1,476	21	1.4
Net income attributable to non-controlling interests	25	32	7	29.0
Net income attributable to owners of the parent	1,430	1,443	13	1.0

(Notes) 1.Extraordinary losses for the fiscal year ended March 31, 2020 include impairment losses of ¥173.6 billion and provision for losses on sales of shares of subsidiaries and associates of ¥16.9 billion.

2.Total income taxes for the fiscal year ended March 31, 2020 include a decrease of ¥166.7 billion mainly due to a decrease of taxable earnings and recognizing deferred tax assets related to reorganization of Mitsui Sumitomo Insurance's international business.

(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	Year ended March 31, 2020			Year ended March 31, 2021		
	Amount	Share (%)	Change ratio (%)	Amount	Share (%)	Change ratio (%)
Fire and allied	734,573	19.2	8.4	757,785	20.0	3.2
Marine	185,068	4.8	0.3	190,705	5.0	3.0
Personal accident	311,984	8.2	(3.0)	293,409	7.7	(6.0)
Voluntary automobile	1,570,344	41.0	1.3	1,592,952	42.0	1.4
CALI	347,736	9.1	0.4	296,911	7.8	(14.6)
Other	677,583	17.7	(0.6)	664,078	17.5	(2.0)
Total:	3,827,289	100.0	1.7	3,795,842	100.0	(0.8)
Deposit premiums from policyholders	75,553	2.0	(5.8)	72,635	1.9	(3.9)

Net Premiums Written by Line of Insurance

(Yen in millions)

Lines of Insurance	Year ended March 31, 2020			Year ended March 31, 2021		
	Amount	Share (%)	Change ratio (%)	Amount	Share (%)	Change ratio (%)
Fire and allied	589,897	16.5	5.6	592,798	16.9	0.5
Marine	147,814	4.1	(3.0)	150,662	4.3	1.9
Personal accident	246,806	6.9	(5.5)	226,349	6.5	(8.3)
Voluntary automobile	1,632,423	45.7	2.4	1,639,651	46.8	0.4
CALI	347,214	9.7	2.8	300,996	8.6	(13.3)
Other	609,575	17.1	2.6	590,537	16.9	(3.1)
Total	3,573,732	100.0	2.2	3,500,996	100.0	(2.0)

Net Claims Paid by Line of Insurance

(Yen in millions)

Lines of Insurance	Year ended March 31, 2020			Year ended March 31, 2021		
	Amount	Share (%)	Change ratio (%)	Amount	Share (%)	Change ratio (%)
Fire and allied	405,830	20.0	(22.9)	376,673	19.8	(7.2)
Marine	81,804	4.1	(2.0)	75,439	4.0	(7.8)
Personal accident	114,146	5.6	2.9	113,025	5.9	(1.0)
Voluntary automobile	880,237	43.4	0.9	806,808	42.4	(8.3)
CALI	233,215	11.5	(5.9)	215,043	11.3	(7.8)
Other	311,978	15.4	7.1	315,258	16.6	1.1
Total	2,027,212	100.0	(4.9)	1,902,248	100.0	(6.2)

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

(3) Investments in Securities

1. Trading securities

(Yen in millions)

	March 31, 2020		March 31, 2021	
	Carrying amount	Unrealized gains/(losses) included in income	Carrying amount	Unrealized gains/(losses) included in income
Trading securities	2,949,868	(107,583)	2,988,617	241,598

(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, 2020			March 31, 2021		
	Carrying amount	Fair value	Difference	Carrying amount	Fair value	Difference
Domestic Bonds	1,095,428	1,311,673	216,244	1,215,042	1,396,418	181,375
Foreign Securities	4,003	4,066	62	3,738	4,073	334
Other Securities	13,108	13,108	-	7,498	7,498	-
Total	1,112,541	1,328,848	216,307	1,226,279	1,407,989	181,710

(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, 2020			March 31, 2021		
	Carrying amount	Fair value	Difference	Carrying amount	Fair value	Difference
Domestic Bonds	1,020,255	1,089,940	69,684	1,455,825	1,451,893	(3,931)
Foreign Securities	1,382,664	1,523,118	140,453	839,716	916,010	76,293
Total	2,402,920	2,613,059	210,138	2,295,541	2,367,903	72,362

4. Available-for-sale securities

(Yen in millions)

Items	March 31, 2020			March 31, 2021		
	Cost	Carrying amount	Difference	Cost	Carrying amount	Difference
Domestic Bonds	3,429,477	3,700,304	270,827	3,313,562	3,532,218	218,655
Domestic Stocks	1,018,732	2,065,614	1,046,882	976,796	2,780,192	1,803,396
Foreign Securities	2,578,973	2,651,182	72,209	3,132,102	3,332,310	200,207
Other Securities	274,406	269,561	(4,845)	284,612	301,609	16,996
Total	7,301,590	8,686,663	1,385,073	7,707,074	9,946,330	2,239,256

(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, 2020: ¥36,009 million (comprised of ¥31,843 million on Domestic stocks and ¥4,165 million on Foreign securities)

For the year ended March 31, 2021: ¥5,068 million (comprised of ¥810 million on Domestic stocks and ¥4,258 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, 2020	March 31, 2021
(Assets)		
Cash, deposits and savings:	489,791	477,788
Cash on hand	31	16
Deposits in banks	489,760	477,772
Receivables under resale agreements	-	1,999
Monetary claims bought	8,217	5,927
Money trusts	2,961	4,787
Investments in securities:	4,925,543	5,494,362
Government bonds	874,430	843,657
Municipal bonds	92,416	86,404
Corporate bonds	567,429	577,741
Domestic stocks	1,433,930	1,893,640
Foreign securities	1,894,855	2,014,773
Other securities	62,481	78,144
Loans:	400,609	423,367
Policy loans	6,000	5,065
General loans	394,609	418,302
Tangible fixed assets:	209,951	210,553
Land	77,417	76,725
Buildings	112,617	110,321
Construction in progress	2,208	5,633
Other tangible fixed assets	17,707	17,872
Intangible fixed assets:	98,478	103,162
Software	49,756	57,219
Other intangible fixed assets	48,722	45,943
Other assets:	419,666	363,016
Premiums receivable	7,604	5,729
Due from agencies	125,333	122,016
Co-insurance accounts receivable	9,435	8,912
Reinsurance accounts receivable	63,139	58,195
Foreign reinsurance accounts receivable	92,577	64,980
Agency business accounts receivable	805	759
Other receivables	56,711	37,081
Accrued income	4,917	5,051
Guarantee deposits	10,597	10,757
Deposits with the Japan Earthquake Reinsurance Company	4,365	4,525
Suspense payments	39,716	38,760
Initial margins for future transactions	711	905
Derivative financial instruments	2,241	1,647
Cash collateral pledged under derivative transactions	941	3,224
Other assets	565	469
Deferred tax assets	111,516	-
Customers' liabilities under acceptances and guarantees	25,987	19,864
Bad debt reserve	(6,635)	(6,714)
Total assets	6,686,089	7,098,116

(Yen in millions)

Items	March 31, 2020	March 31, 2021
(Liabilities)		
Policy liabilities:	3,715,273	3,732,644
Outstanding claims	629,241	668,752
Underwriting reserves	3,086,032	3,063,891
Bonds issued	587,093	587,093
Other liabilities:	566,927	618,743
Co-insurance accounts payable	12,977	11,689
Reinsurance accounts payable	62,131	55,713
Foreign reinsurance accounts payable	35,347	35,598
Agency business accounts payable	630	571
Payables under securities lending transactions	61,603	139,551
Borrowings	198,381	198,381
Income taxes payable	3,744	3,873
Deposits received	60,177	58,320
Unearned income	24	21
Other payables	45,225	34,981
Suspense receipts	21,088	21,617
Derivative financial instruments	2,770	9,850
Cash collateral received under derivative transactions	56,402	43,319
Lease obligations	1,297	1,213
Asset retirement obligations	3,913	3,946
Other liabilities	1,212	95
Reserve for pension and retirement benefits	120,827	113,202
Reserve for retirement benefits for officers	316	234
Accrued bonuses for employees	10,633	10,359
Reserves under the special laws:	19,007	23,138
Reserve for price fluctuation	19,007	23,138
Deferred tax liabilities	-	67,609
Acceptances and guarantees	25,987	19,864
Total liabilities	5,046,067	5,172,889
(Net assets)		
Common stock	139,595	139,595
Capital surplus:	93,107	93,107
Additional paid-in capital	93,107	93,107
Retained earnings:	698,675	618,376
Legal earned reserve	46,487	46,487
Other retained earnings:	652,187	571,889
Tax-exempted reserve for accelerated depreciation	15,561	15,126
Retained earnings brought forward	636,626	556,762
Total shareholders' equity	931,378	851,080
Net unrealized gains/(losses) on investments in securities	683,030	1,052,131
Net deferred gains/(losses) on hedges	25,613	22,014
Total valuation and translation adjustments	708,643	1,074,146
Total net assets	1,640,022	1,925,226
Total liabilities and net assets	6,686,089	7,098,116

Non-Consolidated Statements of Income

(Yen in millions)

Items	Year ended March 31, 2020	Year ended March 31, 2021
Ordinary income:	1,784,456	1,802,134
Underwriting income:	1,644,049	1,664,693
Net premiums written	1,547,930	1,559,567
Deposit premiums from policyholders	52,386	52,851
Investment income on deposit premiums from policyholders	30,105	28,033
Reversal of outstanding claims	13,585	-
Reversal of underwriting reserves	-	23,260
Foreign exchange gains	-	744
Other underwriting income	42	236
Investment income:	135,749	132,644
Interest and dividends income	101,912	98,834
Investment gains on money trusts	-	1,839
Gains on sales of securities	58,254	51,115
Gains on redemption of securities	862	404
Gains on derivative transactions	3,419	1,653
Foreign exchange gains	-	6,685
Other investment income	1,405	144
Transfer of investment income on deposit premiums from policyholders	(30,105)	(28,033)
Other ordinary income	4,657	4,797
Ordinary expenses:	1,695,343	1,670,530
Underwriting expenses:	1,419,697	1,420,935
Net claims paid	888,652	835,374
Loss adjustment expenses	90,679	96,995
Commissions and collection expenses	278,348	291,995
Maturity refunds to policyholders	157,089	160,980
Dividends to policyholders	84	61
Provision for outstanding claims	-	33,744
Provision for underwriting reserves	3,337	-
Foreign exchange losses	985	-
Other underwriting expenses	520	1,784
Investment expenses:	33,085	6,463
Investment losses on money trusts	566	-
Losses on sales of securities	4,387	1,355
Impairment losses on securities	20,878	904
Losses on redemption of securities	162	450
Foreign exchange losses	4,313	-
Other investment expenses	2,776	3,753
Operating expenses and general and administrative expenses	229,308	232,278
Other ordinary expenses:	13,251	10,852
Interest expense	9,353	9,900
Provision for bad debts	3,427	132
Losses on bad debts	27	3
Other ordinary expenses	442	816
Ordinary profit	89,113	131,604
Extraordinary income:	61,429	6,572
Gains on sales of fixed assets	4,432	6,572
Reversal of reserves under the special laws:	56,996	-
Reversal of reserve for price fluctuation	56,996	-
Extraordinary losses:	189,539	5,931
Losses on sales of fixed assets	1,307	1,569
Impairment losses on fixed assets	499	230
Provision for reserves under the special laws:	-	4,131
Provision for reserve for price fluctuation	-	4,131
Losses on valuation of shares of subsidiaries and associates	186,325	-
Other extraordinary losses	1,407	-
Income/(loss) before income taxes	(38,997)	132,245
Income taxes - current	485	2,339
Income taxes - deferred	(133,562)	37,690
Total income taxes	(133,076)	40,029
Net income	94,079	92,215

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, 2020	March 31, 2021
(A) Total amount of solvency margin	3,076,392	3,490,583
Total net assets	879,578	815,511
Reserve for price fluctuation	19,007	23,138
Contingency reserve	-	-
Catastrophe reserve	550,227	580,436
General bad debt reserve	86	87
Net unrealized gains/(losses) on investments in securities and net deferred gains/(losses) on hedges (prior to tax effect deductions)	852,586	1,313,294
Net unrealized gains/(losses) on land	54,618	62,327
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	3,642	3,642
Others	236,835	212,335
(B) Total amount of risks $\sqrt{(R_1 + R_2)^2 + (R_3 + R_4)^2} + R_5 + R_6$	877,260	935,111
General insurance risk (R_1)	136,088	140,053
Insurance risk of third sector insurance contracts (R_2)	-	-
Assumed interest rate risk (R_3)	13,475	12,408
Asset management risk (R_4)	700,269	789,158
Business administration risk (R_5)	19,617	20,843
Catastrophe risk (R_6)	131,040	100,557
(C) Solvency margin ratio [(A) / {(B) x 1/2}] x 100	701.3 %	746.5 %

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

Non-Consolidated Balance Sheets

(Yen in millions)

Items	March 31, 2020	March 31, 2021
(Assets)		
Cash, deposits and savings:	174,108	201,284
Cash on hand	18	18
Deposits in banks	174,090	201,266
Money trusts	2,441	2,480
Investments in securities:	2,317,658	2,643,427
Government bonds	487,098	449,175
Municipal bonds	36,695	40,145
Corporate bonds	305,287	298,053
Domestic stocks	696,983	952,172
Foreign securities	715,866	801,844
Other securities	75,728	102,035
Loans:	218,147	232,949
Policy loans	2,258	1,830
General loans	215,889	231,118
Tangible fixed assets:	182,184	185,009
Land	74,281	72,784
Buildings	85,562	97,519
Lease assets	2	1
Construction in progress	10,048	959
Other tangible fixed assets	12,288	13,743
Intangible fixed assets:	55,884	63,707
Software	24,166	29,632
Other intangible fixed assets	31,718	34,075
Other assets:	381,021	378,704
Premiums receivable	2,222	2,183
Due from agencies	83,351	83,387
Due from foreign agencies	834	1,135
Co-insurance accounts receivable	5,635	3,216
Reinsurance accounts receivable	49,147	59,753
Foreign reinsurance accounts receivable	143,958	145,837
Agency business accounts receivable	325	302
Other receivables	43,965	39,625
Accrued income	6,353	6,581
Guarantee deposits	6,612	6,650
Deposits with the Japan Earthquake Reinsurance Company	2,591	2,624
Suspense payments	28,023	25,423
Derivative financial instruments	7,998	1,983
Prepaid pension expenses	19,427	20,005
Deferred tax assets	63,162	8,450
Customers' liabilities under acceptances and guarantees	7,500	10,500
Bad debt reserve	(804)	(1,240)
Total assets	3,420,733	3,745,278

(Yen in millions)

Items	March 31, 2020	March 31, 2021
(Liabilities)		
Policy liabilities:	2,366,879	2,443,083
Outstanding claims	564,436	587,631
Underwriting reserves	1,802,443	1,855,451
Bonds issued	72,000	72,000
Other liabilities:	265,188	304,742
Co-insurance accounts payable	3,721	3,082
Reinsurance accounts payable	49,778	45,199
Foreign reinsurance accounts payable	60,815	69,346
Agency business accounts payable	2,285	2,174
Payables under securities lending transactions	79,080	80,079
Income taxes payable	10,090	25,770
Deposits received	3,545	3,681
Unearned income	26	12
Other payables	33,642	38,555
Suspense receipts	17,678	18,882
Derivative financial instruments	3,629	17,120
Lease obligations	2	1
Asset retirement obligations	891	835
Other liabilities	0	0
Reserve for pension and retirement benefits	34,378	36,879
Accrued bonuses for employees	6,619	7,479
Reserves under the special laws:	30,088	31,896
Reserve for price fluctuation	30,088	31,896
Acceptances and guarantees	7,500	10,500
Total liabilities	2,782,654	2,906,581
(Net assets)		
Common stock	100,005	100,005
Capital surplus:	81,207	81,207
Additional paid-in capital	52,593	52,593
Other capital surplus	28,614	28,614
Retained earnings:	185,491	176,474
Legal earned reserve	47,411	47,411
Other retained earnings:	138,079	129,062
Retained earnings brought forward	138,079	129,062
Total shareholders' equity	366,703	357,687
Net unrealized gains/(losses) on investments in securities	271,374	481,009
Total valuation and translation adjustments	271,374	481,009
Total net assets	638,078	838,696
Total liabilities and net assets	3,420,733	3,745,278

Non-Consolidated Statements of Income

(Yen in millions)

Items	Year ended March 31, 2020	Year ended March 31, 2021
Ordinary income:	1,414,439	1,389,884
Underwriting income:	1,324,161	1,322,104
Net premiums written	1,276,770	1,281,426
Deposit premiums from policyholders	23,167	19,784
Investment income on deposit premiums from policyholders	15,130	13,750
Reversal of outstanding claims	8,847	-
Foreign exchange gains	-	5,602
Other underwriting income	244	1,539
Investment income:	81,322	62,163
Interest and dividends income	59,396	54,910
Investment gains on money trusts	2	0
Gains on sales of securities	35,125	19,857
Gains on redemption of securities	1,868	276
Foreign exchange gains	-	777
Other investment income	60	91
Transfer of investment income on deposit premiums from policyholders	(15,130)	(13,750)
Other ordinary income	8,956	5,616
Ordinary expenses:	1,355,823	1,357,407
Underwriting expenses:	1,133,794	1,149,834
Net claims paid	724,662	679,990
Loss adjustment expenses	66,686	71,258
Commissions and collection expenses	251,774	261,202
Maturity refunds to policyholders	63,608	60,182
Dividends to policyholders	18	11
Provision for outstanding claims	-	23,195
Provision for underwriting reserves	22,641	53,008
Foreign exchange losses	3,139	-
Other underwriting expenses	1,263	985
Investment expenses:	20,788	7,946
Losses on sales of securities	3,039	2,371
Impairment losses on securities	11,023	956
Losses on redemption of securities	0	249
Losses on derivative transactions	3,953	2,451
Foreign exchange losses	620	-
Other investment expenses	2,150	1,918
Operating expenses and general and administrative expenses	198,919	197,089
Other ordinary expenses:	2,321	2,536
Interest expense	617	787
Provision for bad debts	-	438
Losses on bad debts	1	0
Other ordinary expenses	1,702	1,310
Ordinary profit	58,615	32,476
Extraordinary income:	168	651
Gains on sales of fixed assets	168	651
Extraordinary losses:	18,420	8,295
Losses on sales of fixed assets	1,444	4,120
Impairment losses on fixed assets	261	2,362
Provision for reserves under the special laws:	16,714	1,808
Provision for reserve for price fluctuation	16,714	1,808
Losses on reduction of tangible fixed assets	-	3
Income before income taxes	40,363	24,832
Income taxes - current	13,559	29,463
Income taxes - deferred	(17,980)	(26,240)
Total income taxes	(4,420)	3,222
Net income	44,784	21,610

Non-Consolidated Solvency Margin Ratio

(Yen in millions)

	March 31, 2020	March 31, 2021
(A) Total amount of solvency margin	1,148,081	1,438,465
Total net assets	348,002	341,763
Reserve for price fluctuation	30,088	31,896
Contingency reserve	906	992
Catastrophe reserve	299,132	331,141
General bad debt reserve	123	252
Net unrealized gains/(losses) on investments in securities and net deferred gains/(losses) on hedges (prior to tax effect deductions)	338,684	600,213
Net unrealized gains/(losses) on land	27,385	35,864
Excess of policyholders' contract deposits (a)	-	-
Subordinated debts, etc. (b)	58,800	54,400
Amount excluded from the margin, out of (a) and (b)	-	-
Deductions	4,269	4,579
Others	49,228	46,521
(B) Total amount of risks $\sqrt{(R_1 + R_2)^2 + (R_3 + R_4)^2} + R_5 + R_6$	326,916	363,749
General insurance risk (R_1)	114,413	117,505
Insurance risk of third sector insurance contracts (R_2)	-	-
Assumed interest rate risk (R_3)	6,634	6,083
Asset management risk (R_4)	194,535	251,845
Business administration risk (R_5)	8,060	8,936
Catastrophe risk (R_6)	87,425	71,379
(C) Solvency margin ratio $[(A) / \{(B) \times 1/2\}] \times 100$	702.3 %	790.9 %

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

Non-Consolidated Balance Sheets

(Yen in millions)

Items	March 31, 2020	March 31, 2021
(Assets)		
Cash, deposits and savings:	12,133	12,842
Deposits in banks	12,133	12,842
Investments in securities:	35,972	38,314
Municipal bonds	17,072	20,400
Corporate bonds	12,459	11,428
Other securities	6,441	6,485
Tangible fixed assets:	447	876
Buildings	40	254
Other tangible fixed assets	407	622
Intangible fixed assets:	5,880	4,650
Software	5,880	4,650
Other intangible fixed assets	0	0
Other assets:	5,339	5,171
Premiums receivable	0	0
Reinsurance accounts receivable	13	0
Other receivables	3,350	3,250
Accrued income	35	34
Income taxes receivable	40	-
Guarantee deposits	350	440
Suspense payments	1,547	1,444
Other assets	0	0
Bad debt reserve	(4)	(4)
Total assets	59,768	61,850
(Liabilities)		
Policy liabilities:	43,705	43,980
Outstanding claims	22,946	23,068
Underwriting reserves	20,759	20,912
Other liabilities:	1,405	2,106
Reinsurance accounts payable	1	1
Income taxes payable	95	390
Unearned income	49	37
Other payables	1,218	1,468
Suspense receipts	22	10
Asset retirement obligations	18	197
Reserve for pension and retirement benefits	219	303
Accrued bonuses for employees	288	299
Reserves under the special laws:	79	86
Reserve for price fluctuation	79	86
Deferred tax liabilities	50	85
Total liabilities	45,750	46,862
(Net assets)		
Common stock	39,106	39,106
Capital surplus:	9,006	9,006
Additional paid-in capital	9,006	9,006
Retained earnings:	(34,083)	(33,104)
Other retained earnings:	(34,083)	(33,104)
Retained earnings brought forward	(34,083)	(33,104)
Total shareholders' equity	14,028	15,007
Net unrealized gains/(losses) on investments in securities	(10)	(18)
Total valuation and translation adjustments	(10)	(18)
Total net assets	14,017	14,988
Total liabilities and net assets	59,768	61,850

Non-Consolidated Statements of Income

(Yen in millions)

Items	Year ended March 31, 2020	Year ended March 31, 2021
Ordinary income:	37,933	36,554
Underwriting income:	37,883	36,497
Net premiums written	36,374	36,477
Investment income on deposit premiums from policyholders	21	20
Reversal of outstanding claims	1,486	-
Investment income:	28	31
Interest and dividends income	50	51
Transfer of investment income on deposit premiums from policyholders	(21)	(20)
Other ordinary income	21	25
Ordinary expenses:	37,755	35,135
Underwriting expenses:	27,793	24,030
Net claims paid	24,469	20,547
Loss adjustment expenses	2,789	2,870
Commissions and collection expenses	337	338
Provision for outstanding claims	-	122
Provision for underwriting reserves	196	152
Investment expenses:	-	-
Operating expenses and general and administrative expenses	9,957	11,096
Other ordinary expenses:	4	7
Provision for bad debts	1	-
Other ordinary expenses	2	7
Ordinary profit	178	1,419
Extraordinary income	-	-
Extraordinary losses:	31	111
Losses on sales of fixed assets	24	54
Provision for reserves under the special laws:	7	7
Provision for reserve for price fluctuation	7	7
Other extraordinary losses	-	49
Income before taxes	146	1,307
Income taxes - current	(0)	294
Income taxes - deferred	(12)	34
Total income taxes	(12)	328
Net income	159	978

Non-Consolidated Solvency Margin Ratio

(Yen in millions)

	March 31, 2020	March 31, 2021
(A) Total amount of solvency margin	15,305	16,291
Total net assets	14,028	15,007
Reserve for price fluctuation	79	86
Contingency reserve	0	0
Catastrophe reserve	1,205	1,214
General bad debt reserve	2	1
Net unrealized gains/(losses) on investments in securities and net deferred gains/(losses) on hedges (prior to tax effect deductions)	(10)	(18)
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 $\sqrt{(R_1 + R_2)^2 + (R_3 + R_4)^2} + R_5 + R_6$	5,809	5,468
General insurance risk (R_1)	5,227	4,879
Insurance risk of third sector insurance contracts (R_2)	-	-
Assumed interest rate risk (R_3)	0	0
Asset management risk (R_4)	955	1,009
Business administration risk (R_5)	194	185
Catastrophe risk (R_6)	300	300
(C) Solvency margin ratio [(A) / {(B) x 1/2}] x 100	526.9 %	595.8 %

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

Non-Consolidated Balance Sheets

(Yen in millions)

Items	March 31, 2020	March 31, 2021
(Assets)		
Cash, deposits and savings:	196,400	74,851
Cash on hand	0	0
Deposits in banks	196,400	74,851
Receivables under resale agreements	407,722	-
Investments in securities:	3,757,612	4,313,867
Government bonds	2,529,779	3,077,284
Municipal bonds	163,827	132,491
Corporate bonds	857,138	796,309
Domestic stocks	682	785
Foreign securities	166,282	253,557
Other securities	39,900	53,438
Loans:	63,130	58,858
Policy loans	63,130	58,858
Tangible fixed assets:	4,345	8,010
Buildings	476	431
Lease assets	2,472	6,073
Other tangible fixed assets	1,396	1,506
Intangible fixed assets:	32,841	32,164
Software	22,321	23,356
Other intangible fixed assets	10,519	8,807
Due from agencies	1,996	1,518
Reinsurance accounts receivable	868	994
Other assets:	45,651	43,538
Other receivables	33,184	32,227
Prepaid expenses	2,551	3,126
Accrued income	7,103	7,405
Guarantee deposits	391	367
Derivative financial instruments	151	2
Suspense payments	494	397
Other assets	1,774	11
Deferred tax assets	-	676
Bad debt reserve	(97)	(89)
Total assets	4,510,472	4,534,390

(Yen in millions)

Items	March 31, 2020	March 31, 2021
(Liabilities)		
Policy liabilities:	3,779,645	4,007,521
Outstanding claims	31,886	33,569
Underwriting reserves	3,737,682	3,964,029
Reserve for dividends to policyholders	10,077	9,923
Due to agencies	3,623	3,063
Reinsurance accounts payable	291	302
Other liabilities:	449,640	251,978
Payables under repurchase agreements	412,965	110,343
Payables under securities lending transactions	25,072	126,101
Income taxes payable	532	3,538
Other payables	777	345
Accrued expenses	7,480	6,828
Unearned income	0	0
Deposits received	110	115
Derivative financial instruments	-	2,253
Lease obligations	1,296	333
Asset retirement obligations	437	429
Suspense receipts	475	521
Other liabilities	491	1,168
Reserve for pension and retirement benefits	3,856	4,234
Reserve for retirement benefits for officers	9	7
Reserves under the special laws:	8,725	9,853
Reserve for price fluctuation	8,725	9,853
Deferred tax liabilities	3,891	-
Total liabilities	4,249,683	4,276,962
(Net assets)		
Common stock	85,500	85,500
Capital surplus:	93,688	93,688
Additional paid-in capital	63,214	63,214
Other capital surplus	30,473	30,473
Retained earnings:	19,000	25,115
Legal earned reserve	1,365	2,524
Other retained earnings:	17,635	22,590
Retained earnings brought forward	17,635	22,590
Total shareholders' equity	198,188	204,303
Net unrealized gains/(losses) on investments in securities	62,599	53,124
Total valuation and translation adjustments	62,599	53,124
Total net assets	260,788	257,428
Total liabilities and net assets	4,510,472	4,534,390

Non-Consolidated Statements of Income

(Yen in millions)

Items	Year ended March 31, 2020	Year ended March 31, 2021
Ordinary income:	604,202	568,421
Insurance premiums and others:	535,885	513,183
Insurance premiums	521,297	511,986
Reinsurance income	14,588	1,196
Investment income:	65,682	51,023
Interest and dividends income:	48,920	48,701
Interest on deposits	0	0
Interest and dividends on securities	47,078	46,985
Interest on loans	1,728	1,598
Other interest and dividends	113	118
Gains on sales of securities	15,396	2,258
Gains on redemption of securities	1,346	56
Reversal of bad debts	19	7
Other ordinary income:	2,633	4,214
Receipts of annuities with special conditions	1,251	2,672
Receipts of deferred insurance claims	1,250	1,411
Other ordinary income	131	130
Ordinary expenses:	585,542	542,796
Insurance claims and others:	239,304	218,116
Insurance claims	44,867	48,323
Annuity payments	19,046	19,302
Benefits	30,996	31,943
Surrender benefits	122,671	113,104
Other refunds	4,237	3,845
Reinsurance premiums	17,484	1,596
Provision for underwriting reserves and others:	232,193	228,029
Provision for outstanding claims	483	1,682
Provision for underwriting reserves	231,709	226,346
Provision for interest portion of reserve for dividends to policyholders	0	0
Investment expenses:	13,999	708
Losses on sales of securities	7,790	389
Losses on derivative transactions	1,241	176
Foreign exchange losses	2	1
Other investment expenses	4,965	140
Operating expenses	82,423	77,298
Other ordinary expenses:	17,620	18,643
Payments of deferred insurance claims	1,280	1,330
Taxes	7,526	7,798
Depreciation	8,419	9,109
Provision for reserve for pension and retirement benefits	381	377
Other ordinary expenses	12	28
Ordinary profit	18,659	25,624
Extraordinary income:	0	0
Gains on sales of fixed assets	0	0
Extraordinary losses:	939	1,438
Losses on sales of fixed assets	13	309
Provision for reserves under the special laws:	926	1,128
Provision for reserve for price fluctuation	926	1,128
Provision for reserve for dividends to policyholders	8,638	8,151
Income before income taxes	9,081	16,036
Income taxes - current	2,962	5,007
Income taxes - deferred	(1,381)	(883)
Total income taxes	1,580	4,124
Net income	7,500	11,911

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

(1) Policies in force

(Yen in 100 millions)

	March 31, 2020		March 31, 2021	
	Number of policies (in thousands)	Amount	Number of policies (in thousands)	Amount
Individual insurance	3,726	237,974	3,815	236,240
Individual annuities	171	6,605	166	6,428
Group insurance	-	88,884	-	93,562
Group annuities	-	2	-	2

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

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

(2) New policies

(Yen in 100 millions)

	Year ended March 31, 2020				Year ended March 31, 2021			
	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	319	20,623	20,623	-	254	17,634	17,634	-
Individual annuities	1	60	60	-	1	56	56	-
Group insurance	-	964	964	-	-	1,149	1,149	-
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, 2020	March 31, 2021
Individual insurance	4,075	4,069
Individual annuities	406	409
Total:	4,481	4,479
Medical coverage, living benefits, etc.	1,381	1,460

(2) New policies

(Yen in 100 millions)

	Year ended March 31, 2020	Year ended March 31, 2021
Individual insurance	290	259
Individual annuities	2	2
Total:	293	262
Medical coverage, living benefits, etc.	192	146

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

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

Non-Consolidated Business Performance

(Yen in millions)

	Year ended March 31, 2020	Year ended March 31, 2021	Change
Fundamental revenues:	588,805	566,155	(22,649)
Insurance premiums and others	535,885	513,183	(22,702)
Fundamental expenses	575,198	541,343	(33,854)
Fundamental profit	13,607	24,811	11,204
Capital gains/(losses)	6,366	1,691	(4,674)
Non-recurring gains/(losses)	(1,313)	(878)	434
Ordinary profit	18,659	25,624	6,965
Extraordinary income	0	0	0
Extraordinary losses	939	1,438	498
Provision for reserve for dividends to policyholders	8,638	8,151	(487)
Income taxes	1,580	4,124	2,543
Net income	7,500	11,911	4,410

Non-Consolidated Solvency Margin Ratio

(Yen in millions)

	March 31, 2020	March 31, 2021
(A) Total amount of solvency margin	492,307	490,784
Total capital	193,323	199,693
Reserve for price fluctuation	8,725	9,853
Contingency reserve	38,888	39,775
General bad debt reserve	3	3
Net unrealized gains/(losses) on investments in securities and net deferred gains/(losses) on hedges (prior to tax effect deductions) x 90%	78,249	66,405
Net unrealized gains/(losses) on land x 85%	-	-
Excess of continued Zillmerized reserve (a)	168,067	167,964
Subordinated debts, etc. (b)	-	-
Amount excluded from the margin, out of (a) and (b)	-	-
Brought in capital	-	-
Deductions	-	-
Others	5,048	7,087
(B) Total amount of risks $\sqrt{(R_1 + R_8)^2 + (R_2 + R_3 + R_7)^2} + R_4$	63,551	68,186
Insurance risk (R ₁)	18,352	18,468
Insurance risk of third sector insurance contracts (R ₈)	16,532	17,227
Assumed interest rate risk (R ₂)	3,210	3,242
Minimum guarantee risk (R ₇)	-	-
Asset management risk (R ₃)	47,841	52,692
Business administration risk (R ₄)	1,718	1,832
(C) Solvency margin ratio [(A) / {(B) x 1/2}] x 100	1,549.3 %	1,439.5 %

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

Non-Consolidated Balance Sheets

(Yen in millions)

Items	March 31, 2020	March 31, 2021
(Assets)		
Cash, deposits and savings:	399,783	807,492
Deposits in banks	399,783	807,492
Monetary claims bought	100,995	100,993
Money trusts	1,660,997	1,710,444
Investments in securities:	4,342,621	4,039,282
Government bonds	14,566	14,496
Municipal bonds	2,225	1,713
Corporate bonds	64,909	63,776
Foreign securities	2,235,824	1,901,831
Other securities	2,025,095	2,057,463
Loans:	215,294	264,182
Policy loans	311	280
General loans	214,983	263,901
Tangible fixed assets:	1,046	901
Buildings	322	322
Lease assets	632	513
Other tangible fixed assets	90	65
Intangible fixed assets:	12,565	13,510
Software	12,398	13,371
Lease assets	167	139
Reinsurance accounts receivable	8,971	5,497
Other assets:	29,497	23,735
Other receivables	9,691	3,893
Prepaid expenses	1,310	1,436
Accrued income	17,618	13,358
Guarantee deposits	579	4,818
Derivative financial instruments	6	-
Suspense payments	290	229
Deferred tax assets	43,132	58,712
Total assets	6,814,907	7,024,753
(Liabilities)		
Policy liabilities:	6,463,416	6,482,031
Outstanding claims	19,394	24,209
Underwriting reserves	6,444,021	6,457,822
Due to agencies	3,581	4,808
Reinsurance accounts payable	4,997	4,238
Other liabilities:	68,587	93,090
Income taxes payable	1,396	30,405
Other payables	6,156	5,182
Accrued expenses	4,986	4,940
Deposits received	54,136	49,651
Derivative financial instruments	3	920
Lease obligations	881	725
Asset retirement obligations	177	179
Suspense receipts	849	1,084
Reserves under the special laws:	79,500	180,000
Reserve for price fluctuation	79,500	180,000
Total liabilities	6,620,083	6,764,169
(Net assets)		
Common stock	41,060	41,060
Capital surplus:	24,735	24,735
Additional paid-in capital	24,735	24,735
Retained earnings:	117,883	154,113
Legal earned reserve	5,726	7,104
Other retained earnings:	112,157	147,009
Retained earnings brought forward	112,157	147,009
Total shareholders' equity	183,678	219,908
Net unrealized gains/(losses) on investments in securities	(5,340)	36,961
Net deferred gains/(losses) on hedges	16,486	3,713
Total valuation and translation adjustments	11,145	40,675
Total net assets	194,823	260,584
Total liabilities and net assets	6,814,907	7,024,753

Non-Consolidated Statements of Income

(Yen in millions)

Items	Year ended March 31, 2020	Year ended March 31, 2021
Ordinary income:	1,161,038	2,039,152
Insurance premiums and others:	950,922	892,179
Insurance premiums	872,119	785,407
Reinsurance income	78,803	106,771
Investment income:	113,966	1,142,890
Interest and dividends income:	87,232	81,570
Interest on deposits	46	9
Interest and dividends on securities	78,900	72,121
Interest on loans	8,056	9,018
Other interest and dividends	228	420
Investment gains on money trusts	17,881	210,974
Gains on sales of securities	8,542	152,133
Gains on redemption of securities	310	1,812
Foreign exchange gains	-	384,614
Other investment income	-	19
Investment gains on separate accounts	-	311,765
Other ordinary income:	96,149	4,082
Receipts of annuities with special conditions	3,354	3,749
Reversal of outstanding claims	1,284	-
Reversal of underwriting reserves	90,891	-
Other ordinary income	618	333
Ordinary expenses:	1,129,577	1,879,055
Insurance claims and others:	696,196	1,805,686
Insurance claims	97,940	110,180
Annuity payments	87,549	84,870
Benefits	184,780	214,550
Surrender benefits	175,752	1,209,445
Other refunds	4,118	3,844
Reinsurance premiums	146,055	182,794
Provision for underwriting reserves and others:	-	18,614
Provision for outstanding claims	-	4,814
Provision for underwriting reserves	-	13,800
Investment expenses:	373,891	784
Interest expense	15	11
Investment losses on trading securities	-	1
Losses on sales of securities	528	738
Impairment losses on securities	2,256	-
Losses on redemption of securities	15	0
Foreign exchange losses	313,543	-
Other investment expenses	74	32
Investment losses on separate accounts	57,457	-
Operating expenses	50,304	44,258
Other ordinary expenses:	9,184	9,711
Taxes	5,811	6,016
Depreciation	3,366	3,690
Other ordinary expenses	6	4
Ordinary profit	31,461	160,097
Extraordinary income:	-	-
Extraordinary losses:	3,500	100,500
Provision for reserves under the special laws:	3,500	100,500
Provision for reserve for price fluctuation	3,500	100,500
Income before income taxes	27,961	59,597
Income taxes - current	7,963	43,543
Income taxes - deferred	(312)	(27,064)
Total income taxes	7,650	16,479
Net income	20,310	43,117

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

(1) Policies in force

(Yen in 100 millions)

	March 31, 2020		March 31, 2021	
	Number of policies (in thousands)	Amount	Number of policies (in thousands)	Amount
Individual insurance	825	42,587	663	42,277
Individual annuities	386	22,553	377	23,680
Group insurance	-	-	-	-
Group annuities	-	-	-	-

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

(2) New policies

(Yen in 100 millions)

	Year ended March 31, 2020				Year ended March 31, 2021			
	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	95	7,111	7,111	-	84	6,708	6,708	-
Individual annuities	26	1,716	1,716	-	18	1,174	1,174	-
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, 2020	March 31, 2021
Individual insurance	3,318	3,661
Individual annuities	2,660	2,674
Total:	5,979	6,335
Medical coverage, living benefits, etc.	0	4

(2) New policies

(Yen in 100 millions)

	Year ended March 31, 2020	Year ended March 31, 2021
Individual insurance	668	674
Individual annuities	310	236
Total:	979	911
Medical coverage, living benefits, etc.	-	3

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

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

Non-Consolidated Business Performance

(Yen in millions)

	Year ended March 31, 2020	Year ended March 31, 2021	Change
Fundamental revenues:	1,229,009	1,918,471	689,461
Insurance premiums and others	950,922	892,179	(58,742)
Fundamental expenses	1,256,981	1,877,608	620,627
Fundamental profit/(loss)	(27,972)	40,862	68,834
Capital gains/(losses)	55,671	119,941	64,270
Non-recurring gains/(losses)	3,762	(707)	(4,469)
Ordinary profit	31,461	160,097	128,636
Extraordinary income	-	-	-
Extraordinary losses	3,500	100,500	97,000
Provision for reserve for dividends to policyholders	-	-	-
Income taxes	7,650	16,479	8,829
Net income	20,310	43,117	22,806

Non-Consolidated Solvency Margin Ratio

(Yen in millions)

	March 31, 2020	March 31, 2021
(A) Total amount of solvency margin	546,005	711,185
Total capital	179,481	198,130
Reserve for price fluctuation	79,500	180,000
Contingency reserve	80,497	81,204
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% (100% in case of negative value)	(7,417)	44,019
Net unrealized gains/(losses) on land x 85%	-	-
Excess of continued Zillmerized reserve (a)	172,286	160,823
Subordinated debts, etc. (b)	-	-
Amount excluded from the margin, out of (a) and (b)	-	-
Brought in capital	-	-
Deductions	-	-
Others	41,657	47,007
(B) Total amount of risks $\sqrt{(R_1 + R_8)^2 + (R_2 + R_3 + R_7)^2} + R_4$	146,376	134,845
Insurance risk (R_1)	996	1,140
Insurance risk of third sector insurance contracts (R_8)	2	2
Assumed interest rate risk (R_2)	53,345	36,904
Minimum guarantee risk (R_7)	1,656	1,328
Asset management risk (R_3)	88,480	93,941
Business administration risk (R_4)	2,889	2,666
(C) Solvency margin ratio [(A) / {(B) x 1/2}] x 100	746.0 %	1,054.8 %

3. Supplementary Information on Business Results for the Year Ended March 31, 2021 for Press Conference

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

1. Basic Information

(Yen in 100 millions)

		Year ended March 31, 2020 (A)	Six months ended September 30, 2020 (B)	Year ended March 31, 2021 (C)	Change (C) - (A)	Change (C) - (B)
1	Net premiums written	15,479	8,061	15,595	116	-
	Change ratio	2.3 %	0.3 %	0.8 %	(1.5)%	0.5 %
2	Total assets	66,860	67,616	70,981	4,120	3,364
3	Net loss ratio	63.3 %	54.9 %	59.8 %	(3.5)%	4.9 %
4	Net expense ratio	32.0 %	31.5 %	32.7 %	0.7 %	1.2 %
5	Combined ratio	95.3 %	86.4 %	92.5 %	(2.8)%	6.1 %
	Underwriting result ratio	4.7 %	13.6 %	7.5 %	2.8 %	(6.1)%
6	Voluntary automobile insurance					
	Net premiums written	6,703	3,414	6,834	130	-
	Change ratio	2.0 %	1.3 %	2.0 %	-	0.7 %
	Underwriting result ratio	7.3 %	14.6 %	11.1 %	3.8 %	(3.5)%
	Net loss ratio	60.4 %	53.6 %	56.5 %	(3.9)%	2.9 %
	Net expense ratio	32.3 %	31.8 %	32.4 %	0.1 %	0.6 %
7	Fire and allied insurance					
	Net premiums written	2,060	1,270	2,333	273	-
	Change ratio	3.6 %	10.8 %	13.3 %	9.7 %	2.5 %
	Underwriting result ratio	(23.5)%	10.1 %	(4.8)%	18.7 %	(14.9)%
	Net loss ratio	80.8 %	51.9 %	63.8 %	(17.0)%	11.9 %
	Net expense ratio	42.7 %	38.0 %	41.0 %	(1.7)%	3.0 %
8	Number of employees	14,371	14,343	14,168	(203)	(175)
9	Number of agencies	36,478	35,577	34,162	(2,316)	(1,415)

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

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

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

4. Underwriting result ratio = 1 - combined ratio

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

(Yen in 100 millions)

		Year ended March 31, 2020 (A)	Six months ended September 30, 2020 (B)	Year ended March 31, 2021 (C)	Change (C) - (A)	Change (C) - (B)
1	Ordinary income	51,683	27,344	48,922	(2,761)	-
2	Net premiums written	35,737	18,690	35,009	(727)	-
	Change ratio	2.1 %	(3.0)%	(2.0)%	(4.1)%	1.0 %
3	Life insurance premiums	9,437	566	(2,023)	(11,460)	-
	Change ratio	(26.7)%	(89.8)%	(121.4)%	(94.7)%	(31.6)%
4	Ordinary profit	1,577	1,155	3,065	1,488	-
5	Net income attributable to owners of the parent	1,430	966	1,443	13	-

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

(Yen in 100 millions)

	Year ended March 31, 2020	Six months ended September 30, 2020	Year ended March 31, 2021
Domestic bonds	-	-	-
Domestic stocks	175	10	8
Foreign securities	33	-	0
Other securities	-	-	-
Total	208	10	9

(Note) Apart from the above, Losses on valuation of shares of subsidiaries and associates of ¥186.3 billion was recorded under Extraordinary losses in the year ended March 31, 2020.

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)

	Year ended March 31, 2020	Six months ended September 30, 2020	Year ended March 31, 2021
Land	0	-	1
Buildings	4	-	1
Others	-	-	-
Total	4	-	2

(c) Unrealized gains and losses on investments in securities

(Yen in 100 millions)

	March 31, 2020	September 30, 2020	March 31, 2021
Domestic bonds	1,343	1,241	1,127
Domestic stocks	8,108	9,730	13,026
Foreign securities	35	187	336
Other securities	(8)	27	60
Total	9,478	11,187	14,550

(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)

	Year ended March 31, 2020	Six months ended September 30, 2020	Year ended March 31, 2021
Direct claims paid	1,781	99	412
Net claims paid	643	97	376
Outstanding claims	67	244	51

(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	March 31, 2020			September 30, 2020			March 31, 2021		
	Balance	Reserve Ratio	Provision	Balance	Reserve Ratio	Provision	Balance	Reserve Ratio	Provision
Fire and allied	998	48.6 %	632	1,114	43.9 %	115	1,009	43.3 %	223
Marine	813	131.4 %	15	804	149.5 %	6	800	150.9 %	13
Personal accident	748	51.0 %	46	772	50.5 %	24	794	54.5 %	46
Voluntary automobile	978	14.6 %	214	1,087	15.9 %	109	1,197	17.5 %	218
Other	1,907	68.4 %	106	1,968	64.5 %	60	1,964	68.6 %	90
Total	5,446	39.9 %	1,015	5,747	39.7 %	316	5,767	41.1 %	592

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

Reserve ratio for September 30 is calculated on an annualized basis using net premiums written (excluding premiums of residential earthquake insurance and compulsory automobile liability insurance) multiplied by two as a denominator.

2. Provision = gross provision

(f) Reinsurance assumed

(Yen in 100 millions)

Lines of insurance	Year ended March 31, 2020		Year ended March 31, 2021	
	Net reinsurance assumed premiums written	Net reinsurance assumed claims paid	Net reinsurance assumed premiums written	Net reinsurance assumed claims paid
Fire and allied	321	138	357	158
Marine	183	96	154	70
Personal accident	31	17	31	26
Voluntary automobile	49	20	34	29
Compulsory automobile liability	1,366	1,256	1,094	1,166
Other	215	165	222	115
Total	2,166	1,694	1,895	1,565

(g) Reinsurance ceded

(Yen in 100 millions)

Lines of insurance	Year ended March 31, 2020		Year ended March 31, 2021	
	Net reinsurance ceded premiums written	Net reinsurance ceded claims paid	Net reinsurance ceded premiums written	Net reinsurance ceded claims paid
Fire and allied	1,504	1,934	1,528	1,106
Marine	411	243	400	162
Personal accident	135	63	55	37
Voluntary automobile	109	177	106	75
Compulsory automobile liability	1,220	1,171	957	1,050
Other	705	418	837	398
Total	4,087	4,009	3,885	2,830

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

1. Basic Information

(Yen in 100 millions)

		Year ended March 31, 2020 (A)	Six months ended September 30, 2020 (B)	Year ended March 31, 2021 (C)	Change (C) - (A)	Change (C) - (B)
1	Net premiums written	12,767	6,521	12,814	46	-
	Change ratio	3.5 %	(0.7)%	0.4 %	(3.1)%	1.1 %
2	Total assets	34,207	35,189	37,452	3,245	2,263
3	Net loss ratio	62.0 %	54.7 %	58.6 %	(3.4)%	3.9 %
4	Net expense ratio	34.5 %	34.0 %	34.9 %	0.4 %	0.9 %
5	Combined ratio	96.5 %	88.7 %	93.5 %	(3.0)%	4.8 %
	Underwriting result ratio	3.5 %	11.3 %	6.5 %	3.0 %	(4.8)%
6	Voluntary automobile insurance					
	Net premiums written	7,130	3,641	7,295	165	-
	Change ratio	4.1 %	1.7 %	2.3 %	(1.8)%	0.6 %
	Underwriting result ratio	8.7 %	17.3 %	13.4 %	4.7 %	(3.9)%
	Net loss ratio	59.4 %	51.5 %	54.3 %	(5.1)%	2.8 %
	Net expense ratio	31.9 %	31.2 %	32.3 %	0.4 %	1.1 %
7	Fire and allied insurance					
	Net premiums written	1,992	1,100	2,077	85	-
	Change ratio	8.4 %	1.5 %	4.3 %	(4.1)%	2.8 %
	Underwriting result ratio	(17.3)%	(0.1)%	(9.0)%	8.3 %	(8.9)%
	Net loss ratio	73.8 %	59.8 %	66.3 %	(7.5)%	6.5 %
	Net expense ratio	43.5 %	40.3 %	42.7 %	(0.8)%	2.4 %
8	Number of employees	13,775	14,073	13,933	158	(140)
9	Number of agencies	48,198	48,906	48,911	713	5

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

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

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

4. Underwriting result ratio = 1 - combined ratio

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

Please refer to page 40.

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

(Yen in 100 millions)

	Year ended March 31, 2020	Six months ended September 30, 2020	Year ended March 31, 2021
Domestic bonds	-	-	-
Domestic stocks	109	20	3
Foreign securities	0	4	5
Other securities	-	-	-
Total	110	25	9

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)

	Year ended March 31, 2020	Six months ended September 30, 2020	Year ended March 31, 2021
Land	0	7	7
Buildings	2	15	16
Others	-	-	-
Total	2	22	23

(c) Unrealized gains and losses on investments in securities

(Yen in 100 millions)

	March 31, 2020	September 30, 2020	March 31, 2021
Domestic bonds	540	511	461
Domestic stocks	2,910	4,115	5,540
Foreign securities	324	535	573
Other securities	(20)	34	72
Total	3,753	5,197	6,648

(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)

	Year ended March 31, 2020	Six months ended September 30, 2020	Year ended March 31, 2021
Direct claims paid	1,478	95	303
Net claims paid	553	94	290
Outstanding claims	40	122	(6)

(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	March 31, 2020			September 30, 2020			March 31, 2021		
	Balance	Reserve Ratio	Provision	Balance	Reserve Ratio	Provision	Balance	Reserve Ratio	Provision
Fire and allied	858	43.1 %	534	1,023	46.5 %	184	923	44.5 %	351
Marine	98	136.2 %	1	98	124.8 %	0	97	138.9 %	1
Personal accident	662	116.4 %	18	671	111.7 %	9	680	117.5 %	18
Voluntary automobile	571	8.0 %	228	688	9.5 %	116	805	11.0 %	233
Other	768	55.9 %	67	786	55.9 %	20	786	57.8 %	39
Total	2,959	26.6 %	849	3,268	28.2 %	332	3,292	28.9 %	644

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

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

2. Provision = gross provision

(f) Reinsurance assumed

(Yen in 100 millions)

Lines of insurance	Year ended March 31, 2020		Year ended March 31, 2021	
	Net reinsurance assumed premiums written	Net reinsurance assumed claims paid	Net reinsurance assumed premiums written	Net reinsurance assumed claims paid
Fire and allied	551	310	563	250
Marine	74	49	71	39
Personal accident	42	25	38	24
Voluntary automobile	398	204	352	218
Compulsory automobile liability	1,126	1,070	916	980
Other	216	87	167	97
Total	2,408	1,749	2,110	1,610

(g) Reinsurance ceded

(Yen in 100 millions)

Lines of insurance	Year ended March 31, 2020		Year ended March 31, 2021	
	Net reinsurance ceded premiums written	Net reinsurance ceded claims paid	Net reinsurance ceded premiums written	Net reinsurance ceded claims paid
Fire and allied	1,010	1,375	1,117	832
Marine	1	(0)	1	0
Personal accident	82	25	84	25
Voluntary automobile	27	98	30	22
Compulsory automobile liability	1,281	1,234	1,017	1,107
Other	373	209	405	116
Total	2,778	2,942	2,657	2,105