

SUMMARY OF FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED DECEMBER 31, 2022

February 14, 2023

Name of Listed Company: **MS&AD Insurance Group Holdings, Inc.**
 Stock Exchange Listing: Tokyo Stock Exchange and Nagoya Stock Exchange
 Securities Code Number: 8725
 URL: <https://www.ms-ad-hd.com>
 Representative: Noriyuki Hara, President & CEO
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<https://www.ms-ad-hd.com/en/ir/contact.html>
 Scheduled date to file the Quarterly Securities Report: February 14, 2023
 Scheduled date to commence dividend payments: -
 Explanatory material for business results: Available
 IR Conference (for institutional investors and analysts): To be held

(Note) Amounts of less than one million yen are truncated.

1. Consolidated Financial Highlights for the Nine Months Ended December 31, 2022 (April 1, 2022 to December 31, 2022)

(1) Consolidated business performance

(Yen in millions)

	Ordinary income		Ordinary profit		Net income attributable to owners of the parent	
Nine months ended December 31, 2022	4,019,671	7.5 %	161,524	(46.6) %	87,950	(57.0) %
Nine months ended December 31, 2021	3,738,145	(5.9) %	302,564	37.4 %	204,617	36.4 %

Percent figures represent changes from the corresponding period of the preceding year.

(Note) Comprehensive income For the nine months ended December 31, 2022: ¥ (245,105) million - %
 For the nine months ended December 31, 2021: ¥ 374,546 million (37.6) %

(Yen)

	Net income attributable to owners of the parent per share - Basic	Net income attributable to owners of the parent per share - Diluted
Nine months ended December 31, 2022	162.78	162.73
Nine months ended December 31, 2021	368.31	368.15

(2) Consolidated financial conditions

(Yen in millions)

	Total assets	Net assets	Ratio of net assets less non-controlling interests to total assets
December 31, 2022	24,977,542	2,891,563	11.4 %
March 31, 2022	25,033,846	3,302,749	13.0 %

(Reference) Net assets less non-controlling interests As of December 31, 2022: ¥ 2,844,399 million
 As of March 31, 2022: ¥ 3,258,887 million

2. Dividends

(Yen)

	Dividends per share				
	1st quarter	2nd quarter	3rd quarter	4th quarter	Annual total
Year ended March 31, 2022	-	82.50	-	97.50	180.00
Year ending March 31, 2023	-	100.00	-		
Year ending March 31, 2023 (Forecast)				100.00	200.00

(Note) Revision of the latest announced dividends per share forecast: None

3. Consolidated Earnings Forecasts for the Year Ending March 31, 2023 (April 1, 2022 to March 31, 2023)

(Yen in millions)

	Ordinary profit		Net income attributable to owners of the parent		Net income attributable to owners of the parent per share (Yen)
Year ending March 31, 2023	220,000	(43.7) %	140,000	(46.7) %	259.85

Percent figures represent changes from the preceding year.

(Note) Revision of the latest announced earnings forecasts: None

*** Notes**

(1) Changes in significant subsidiaries for the period (changes in specified subsidiaries resulting in changes in scope of consolidation): None

(2) Adoption of special accounting methods allowed to be applied to quarterly consolidated financial statements: Yes
(Note) For details, please refer to “Adoption of Special Accounting Methods Allowed to be Applied to Quarterly Consolidated Financial Statements” on page 5 of the Appendix.

(3) Changes in accounting policies and accounting estimates and restatements

1. Changes in accounting policies due to revisions of accounting standards: None
2. Changes in accounting policies other than above: None
3. Changes in accounting estimates: None
4. Restatements: None

(4) Number of shares of issued stock (common stock)

1. Number of shares of issued stock (including treasury stock)

As of December 31, 2022:	535,967,347 shares
As of March 31, 2022:	593,632,891 shares
2. Number of shares of treasury stock

As of December 31, 2022:	1,695,015 shares
As of March 31, 2022:	46,400,654 shares
3. Average number of shares of outstanding stock

For the nine months ended December 31, 2022:	540,271,548 shares
For the nine months ended December 31, 2021:	555,555,142 shares

*** This report is outside the scope of the external auditor's quarterly review.**

*** Notes to the earnings forecasts**

Any earnings forecasts in this report have been made based on the information available to MS&AD Insurance Group Holdings, Inc. (“the Company”) as of the disclosure date of the report and certain assumptions, and therefore do not guarantee future performance. Actual results may differ substantially from these forecasts depending on various factors. The forecasts of consolidated ordinary income for the current fiscal year is not disclosed due to difficulties in calculating reasonable forecast figures stemming from a high susceptibility to natural disasters and market conditions.

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Consolidated Financial Statements and Main Notes

1. Consolidated Balance Sheets

(Yen in millions)

	March 31, 2022	December 31, 2022
Assets		
Cash, deposits and savings	2,357,036	2,725,542
Monetary claims bought	146,489	152,852
Money trusts	2,039,135	2,007,048
Investments in securities	16,959,321	16,024,782
Loans	985,242	974,535
Tangible fixed assets	487,691	484,418
Intangible fixed assets	443,159	455,201
Other assets	1,529,465	1,870,437
Assets for retirement benefits	30,265	31,441
Deferred tax assets	40,653	234,548
Customers' liabilities under acceptances and guarantees	23,000	25,000
Bad debt reserve	(7,614)	(8,264)
Total assets	25,033,846	24,977,542
Liabilities		
Policy liabilities:	18,608,139	18,849,135
Outstanding claims	2,467,600	2,761,396
Underwriting reserves	16,140,539	16,087,739
Bonds issued	782,902	710,902
Other liabilities	1,837,250	2,062,804
Liabilities for pension and retirement benefits	137,710	132,475
Reserve for retirement benefits for officers	176	134
Accrued bonuses for employees	30,006	9,029
Reserve for stock payments	-	749
Reserves under the special laws:	266,381	275,032
Reserve for price fluctuation	266,381	275,032
Deferred tax liabilities	45,528	20,714
Acceptances and guarantees	23,000	25,000
Total liabilities	21,731,096	22,085,978
Net assets		
Shareholders' equity:		
Common stock	100,534	100,808
Capital surplus	553,680	345,156
Retained earnings	1,251,280	1,232,304
Treasury stock	(159,850)	(6,647)
Total shareholders' equity	1,745,644	1,671,622
Accumulated other comprehensive income:		
Net unrealized gains/(losses) on investments in securities	1,565,167	1,027,991
Net deferred gains/(losses) on hedges	(998)	(26,676)
Foreign currency translation adjustments	(52,492)	171,185
Accumulated actuarial gains/(losses) on retirement benefits	1,566	276
Total accumulated other comprehensive income	1,513,242	1,172,776
Stock acquisition rights	762	558
Non-controlling interests	43,099	46,605
Total net assets	3,302,749	2,891,563
Total liabilities and net assets	25,033,846	24,977,542

2. Consolidated Statements of Income and Comprehensive Income (Consolidated Statements of Income)

(Yen in millions)

	Nine months ended December 31, 2021	Nine months ended December 31, 2022
Ordinary income:	3,738,145	4,019,671
Underwriting income:	3,226,422	3,391,857
Net premiums written	2,747,086	2,974,002
Deposit premiums from policyholders	41,852	33,097
Investment income on deposit premiums from policyholders	25,791	24,983
Life insurance premiums	400,584	211,519
Reversal of underwriting reserves	-	135,080
Investment income:	490,316	607,154
Interest and dividends income	236,930	267,915
Investment gains on money trusts	70,453	163,284
Investment gains on trading securities	22,331	-
Gains on sales of securities	77,595	121,467
Gains on derivative transactions	-	75,717
Investment gains on separate accounts	75,769	-
Transfer of investment income on deposit premiums from policyholders	(25,791)	(24,983)
Other ordinary income	21,406	20,660
Ordinary expenses:	3,435,580	3,858,147
Underwriting expenses:	2,850,575	3,049,853
Net claims paid	1,440,651	1,647,550
Loss adjustment expenses	145,539	153,460
Commissions and collection expenses	543,892	586,683
Maturity refunds to policyholders	135,254	123,728
Life insurance claims	361,381	380,864
Provision for outstanding claims	63,056	145,027
Provision for underwriting reserves	157,853	-
Investment expenses:	59,426	258,485
Investment losses on money trusts	314	44,433
Investment losses on trading securities	-	21,277
Losses on sales of securities	8,401	40,890
Impairment losses on securities	31,809	17,360
Losses on derivative transactions	15,036	-
Investment losses on separate accounts	-	87,159
Operating expenses and general and administrative expenses	508,175	533,044
Other ordinary expenses:	17,403	16,764
Interest expense	11,776	7,980
Ordinary profit	302,564	161,524
Extraordinary income:	2,213	755
Gains on sales of fixed assets	2,213	755
Extraordinary losses:	17,562	24,323
Losses on sales of fixed assets	3,489	7,487
Impairment losses on fixed assets	1,435	1,332
Provision for reserves under the special laws:	7,887	8,651
Provision for reserve for price fluctuation	7,887	8,651
Other extraordinary losses	4,750	6,852
Income before income taxes	287,214	137,956
Income taxes	79,881	47,659
Net income	207,333	90,297
Net income attributable to non-controlling interests	2,716	2,346
Net income attributable to owners of the parent	204,617	87,950

(Consolidated Statements of Comprehensive Income)

(Yen in millions)

	Nine months ended December 31, 2021	Nine months ended December 31, 2022
Net income	207,333	90,297
Other comprehensive income:		
Net unrealized gains/(losses) on investments in securities	91,372	(536,318)
Net deferred gains/(losses) on hedges	(6,684)	(25,796)
Foreign currency translation adjustments	77,183	212,477
Accumulated actuarial gains/(losses) on retirement benefits	(1,136)	(1,285)
Share of other comprehensive income of equity method investments	6,478	15,521
Total other comprehensive income	167,212	(335,402)
Total comprehensive income	374,546	(245,105)
Allocation:		
Comprehensive income attributable to owners of the parent	370,444	(252,515)
Comprehensive income attributable to non-controlling interests	4,101	7,410

3. Notes to Consolidated Financial Statements

(Note on Going Concern)

Not applicable.

(Notes on Significant Changes in Shareholders' Equity)

Treasury stock increased by ¥49,999 million due to the acquisition of treasury stock in the nine-month period ended December 31, 2022, based on the resolution at the Board of Directors meeting held on May 20, 2022.

Capital surplus and treasury stock each decreased by ¥207,920 million, due to the cancellation of treasury stock in the nine-month period ended December 31, 2022, based on the resolution at the Board of Directors meeting held on November 18, 2022.

As a result, capital surplus at December 31, 2022, decreased ¥208,523 million from the end of the previous fiscal year, to ¥345,156 million, while treasury stock decreased ¥153,202 million to ¥6,647 million.

(Adoption of Special Accounting Methods Allowed to be Applied to Quarterly Consolidated Financial Statements)

(Calculation of income tax expenses)

The domestic consolidated companies calculate their income tax expenses primarily by multiplying income before income taxes by the effective income tax rate, after adding or deducting the permanent difference if this amount is significant.

Explanatory Material for Business Results

1. Summary of Consolidated Business Results

(1) Consolidated Business Results

(Yen in 100 millions)

	Items	Nine months ended December 31, 2021	Nine months ended December 31, 2022	Change	Change ratio
					%
Net premiums written (non-life insurance)	1	27,470	29,740	2,269	8.3
Mitsui Sumitomo Insurance	2	11,787	12,197	409	3.5
Aioi Nissay Dowa Insurance	3	9,700	10,073	373	3.8
Simple sum	4	21,488	22,270	782	3.6
Mitsui Direct General Insurance	5	257	251	(6)	(2.6)
Overseas insurance subsidiaries	6	5,725	7,216	1,490	26.0
Insurance premiums (domestic life insurance)	7	10,313	12,279	1,965	19.1
Mitsui Sumitomo Aioi Life Insurance	8	3,705	3,603	(102)	(2.8)
Mitsui Sumitomo Primary Life Insurance	9	6,608	8,676	2,068	31.3
Ordinary profit	10	3,025	1,615	(1,410)	(46.6)
Net income attributable to owners of the parent	11	2,046	879	(1,166)	(57.0)
Mitsui Sumitomo Insurance	12	1,103	1,101	(1)	(0.2)
Aioi Nissay Dowa Insurance	13	523	371	(151)	(29.0)
Simple sum	14	1,627	1,473	(153)	(9.4)
Mitsui Direct General Insurance	15	20	19	(0)	(2.3)
Mitsui Sumitomo Aioi Life Insurance	16	170	103	(66)	(39.2)
Mitsui Sumitomo Primary Life Insurance	17	370	(2)	(372)	(100.7)
Overseas insurance subsidiaries	18	141	(310)	(451)	(319.5)
Others, consolidation adjustments, etc.	19	(283)	(404)	(121)	-

(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) 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	Nine months ended December 31, 2021	Nine months ended December 31, 2022	Change	Change ratio
					%
(+)	Net premiums written	21,488	22,270	782	3.6
(-)	Net claims paid	11,411	13,080	1,669	14.6
(-)	Loss adjustment expenses	1,309	1,367	57	4.4
(-)	Commissions and collection expenses	4,276	4,467	191	4.5
(-)	Operating expenses and general and administrative expenses for underwriting	2,967	2,950	(16)	(0.6)
	Underwriting profit before movements in reserves	1,523	404	(1,119)	(73.5)
(-)	Movement in outstanding claims	330	570	240	72.9
(-)	Movement in ordinary underwriting reserves	(168)	445	613	-
(+)	Other	129	211	82	63.8
	Underwriting profit/(loss) before movement in catastrophe reserve	1,490	(400)	(1,891)	(126.9)
(-)	Movement in catastrophe reserve	593	(604)	(1,197)	(201.9)
	Underwriting profit	897	204	(693)	(77.3)
(+)	Interest and dividends income	1,497	1,673	175	11.7
(-)	Transfer of investment income on deposit premiums from policyholders	292	279	(12)	(4.4)
	Net interest and dividends income (item 13 - item 14)	1,205	1,393	188	15.6
(+)	Gains/(losses) on sales of securities	577	795	218	37.8
(-)	Impairment losses on securities	311	97	(213)	(68.5)
(+)	Other	(58)	(171)	(113)	-
	Investment profit	1,413	1,919	506	35.8
(+)	Other ordinary profit/(loss)	(97)	(76)	21	-
	Ordinary profit	2,213	2,047	(165)	(7.5)
(+)	Extraordinary income/(losses):	(130)	(204)	(74)	-
	Gains/(losses) on reserve for price fluctuation	(44)	(47)	(2)	-
	Income before income taxes	2,082	1,842	(240)	(11.5)
(-)	Income taxes	455	368	(86)	(19.0)
	Net income	1,627	1,473	(153)	(9.4)

Ratios	Net loss ratio	Note 1	27	59.2 %	64.9 %	5.7 %	
	Net expense ratio	Note 2	28	33.7 %	33.3 %	(0.4) %	
	Combined ratio	Note 3	29	92.9 %	98.2 %	5.3 %	

Incurred losses (including loss adjustment expenses)		Note 4, 5	30	11,371	13,450	2,078	18.3
	EI loss ratio	Note 4, 6	31	58.9 %	68.0 %	9.1 %	

- (Notes) 1. Net loss ratio = (net claims paid + loss adjustment expenses) / net premiums written x 100
2. Net expense ratio = (commissions and collection expenses + operating expenses and general and administrative expenses for underwriting) / net premiums written x 100
3. Combined ratio = net loss ratio + net expense ratio
4. The calculation is exclusive of residential earthquake insurance and CALI*.
* 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	Nine months ended December 31, 2021	Nine months ended December 31, 2022	Change	Change ratio
Amount of new policies ^(Note)	1	13,031	11,037	(1,993)	(15.3) %
Annualized premiums of new policies	2	204	201	(3)	(1.7) %
Amount of policies in force ^(Note)	3	(As of the beginning of FY2022) 238,477	234,216	(Change from the beginning of FY2022) (4,261)	(1.8) %
Annualized premiums for policies in force	4	(As of the beginning of FY2022) 4,438	4,410	(Change from the beginning of FY2022) (28)	(0.6) %
Insurance premiums	5	3,705	3,603	(102)	(2.8) %
Ordinary profit	6	273	184	(89)	(32.7) %
Extraordinary income/(losses)	7	(9)	(10)	(0)	-
Net income	8	170	103	(66)	(39.2) %

(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	Nine months ended December 31, 2021	Nine months ended December 31, 2022	Change	Change ratio
Amount of new policies ^(Note)	1	6,644	8,992	2,347	35.3 %
Amount of policies in force ^(Note)	2	(As of the beginning of FY2022) 68,036	66,731	(Change from the beginning of FY2022) (1,304)	(1.9) %
Insurance premiums	3	6,608	8,676	2,068	31.3 %
Ordinary profit	4	535	20	(514)	(96.1) %
Extraordinary income/(losses)	5	(24)	(29)	(4)	-
Net income/(loss)	6	370	(2)	(372)	(100.7) %

(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	Nine months ended December 31, 2021	Nine months ended December 31, 2022	Change	Change ratio
Net premiums written	1	5,725	7,216	1,490	26.0%
Asia	2	1,306	1,657	351	26.9
Europe	3	4,080	5,091	1,010	24.8
Americas	4	338	467	129	38.1
Net income/(loss) attributable to owners of the parent	5	141	(310)	(451)	(319.5)
Asia	6	230	67	(163)	(70.8)
Europe	7	(258)	(483)	(224)	-
Americas	8	39	21	(18)	(45.9)
International life insurance	9	129	84	(45)	(34.8)

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

(1) Business Results

(Yen in 100 millions)

	Items	Nine months ended December 31, 2021	Nine months ended December 31, 2022	Change	Change ratio
					%
(+) Net premiums written	1	11,787	12,197	409	3.5
(-) Net claims paid	2	6,167	6,989	821	13.3
(-) Loss adjustment expenses	3	730	763	33	4.5
(-) Commissions and collection expenses	4	2,257	2,334	76	3.4
(-) Operating expenses and general and administrative expenses for underwriting	5	1,610	1,611	1	0.1
Underwriting profit before movements in reserves	6	1,021	497	(523)	(51.3)
(-) Movement in outstanding claims	7	308	436	128	41.8
(-) Movement in ordinary underwriting reserves	8	(146)	155	301	-
(+) Other	9	45	70	24	53.2
Underwriting profit/(loss) before movement in catastrophe reserve	10	905	(24)	(929)	(102.7)
(-) Movement in catastrophe reserve	11	397	(204)	(602)	(151.6)
Underwriting profit	12	507	180	(327)	(64.4)
(+) Interest and dividends income	13	1,065	1,182	117	11.0
(-) Transfer of investment income on deposit premiums from policyholders	14	195	183	(11)	(6.1)
Net interest and dividends income (item 13 - item 14)	15	870	999	129	14.8
(+) Gains/(losses) on sales of securities	16	473	490	16	3.6
(-) Impairment losses on securities	17	274	73	(201)	(73.3)
(+) Other	18	(45)	(50)	(4)	-
Investment profit	19	1,023	1,365	342	33.5
(+) Other ordinary profit/(loss)	20	(76)	(64)	12	-
Ordinary profit	21	1,454	1,482	28	1.9
(+) Extraordinary income/(losses)	22	(75)	(113)	(38)	-
Gains/(losses) on reserve for price fluctuation	23	(30)	(32)	(1)	-
Income before income taxes	24	1,379	1,368	(10)	(0.8)
(-) Income taxes	25	275	266	(8)	(3.2)
Net income	26	1,103	1,101	(1)	(0.2)

Ratios	Net loss ratio	Note 1	27	58.5 %	63.6 %	5.1 %	
	Net expense ratio	Note 2	28	32.8 %	32.4 %	(0.4) %	
	Combined ratio	Note 3	29	91.3 %	96.0 %	4.7 %	

Incurred losses (including loss adjustment expenses)	Note 4, 5	30	6,290	7,335	1,045	16.6
	El loss ratio	Note 4, 6	31	58.8 %	66.5 %	7.7 %

- (Notes) 1. Net loss ratio = (net claims paid + loss adjustment expenses) / net premiums written x 100
2. Net expense ratio = (commissions and collection expenses + operating expenses and general and administrative expenses for underwriting) / net premiums written x 100
3. Combined ratio = net loss ratio + net expense ratio
4. The calculation is exclusive of residential earthquake insurance and CALI.
5. Incurred losses (including loss adjustment expenses) = net claims paid + loss adjustment expenses + movement in outstanding claims
6. El 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)			
	Nine months ended December 31, 2021		Nine months ended December 31, 2022		Nine months ended December 31, 2021		Nine months ended December 31, 2022	
	Amount	Change ratio %	Amount	Change ratio %	Amount	Change ratio %	Amount	Change ratio %
Fire and allied	1,722	(2.3)	2,004	16.3	2,662	(3.7)	3,000	12.7
Marine	448	16.0	576	28.7	679	15.5	849	25.0
Personal accident	1,093	2.3	1,113	1.9	1,122	3.0	1,198	6.8
Voluntary automobile	5,152	0.9	5,143	(0.2)	5,220	1.0	5,204	(0.3)
CALI	1,113	(6.3)	1,057	(5.1)	1,003	(5.6)	983	(1.9)
Other	2,257	4.0	2,301	2.0	2,742	3.6	2,806	2.3
Total	11,787	0.9	12,197	3.5	13,431	0.8	14,041	4.5

(3) Net claims paid

(Yen in 100 millions)

	Nine months ended December 31, 2021			Nine months ended December 31, 2022			
	Amount	Change ratio %	Net loss ratio %	Amount	Change ratio %	Net loss ratio %	Change %
Fire and allied	1,017	(1.8)	61.8	1,447	42.2	74.4	12.6
Marine	220	(20.1)	51.6	264	19.7	48.0	(3.6)
Personal accident	516	(0.1)	52.1	629	21.9	61.1	9.0
Voluntary automobile	2,433	2.5	56.5	2,756	13.3	63.6	7.1
CALI	811	(8.0)	81.1	753	(7.1)	80.1	(1.0)
Other	1,167	0.7	54.0	1,138	(2.5)	51.7	(2.3)
Total	6,167	(1.2)	58.5	6,989	13.3	63.6	5.1

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

(Reference) Incurred losses caused by natural disasters in Japan

(Yen in 100 millions)

	Nine months ended December 31, 2021			Nine months ended December 31, 2022		
	Incurred losses	Net claims paid	Outstanding claims	Incurred losses	Net claims paid	Outstanding claims
Fire and allied	192	122	70	328	236	91
Voluntary automobile	11	11	0	126	129	(2)
Other	14	7	6	24	12	11
Total	218	141	76	479	379	99

(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	Nine months ended December 31, 2021			Nine months ended December 31, 2022		
		Amount	Change	Change ratio %	Amount	Change	Change ratio %
Personnel expenses	1	1,178	(57)	(4.6)	1,129	(48)	(4.1)
Non-personnel expenses	2	1,158	101	9.6	1,242	83	7.2
Taxes and contributions	3	104	5	6.0	109	5	5.3
Total	4	2,440	50	2.1	2,481	40	1.7

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

<Expenses for underwriting>

(Yen in 100 millions)

	Items	Nine months ended December 31, 2021			Nine months ended December 31, 2022		
		Amount	Change	Change ratio %	Amount	Change	Change ratio %
Operating expenses and general and administrative expenses	5	1,610	14	0.9	1,611	1	0.1
Commissions and collection expenses	6	2,257	58	2.7	2,334	76	3.4
Total	7	3,868	73	1.9	3,945	77	2.0
Net expense ratio	8	32.8 %	0.3 %		32.4 %	(0.4) %	

(5) Catastrophe reserve

(Yen in 100 millions)

	March 31, 2022		December 31, 2022			
	Balance	Reserve ratio	Reversal	Provision	Balance	Reserve ratio
		%				%
Fire and allied	1,110	47.0	434	201	877	32.9
Marine	815	130.8	-	31	847	110.2
Personal accident	842	56.7	59	35	819	55.2
Voluntary automobile	1,418	20.6	179	164	1,403	20.5
Other	2,029	68.2	61	96	2,064	67.3
Total	6,216	43.4	734	529	6,011	40.5

(Note) Reserve ratio = catastrophe reserve / net premiums written (excluding premiums of residential earthquake insurance and CALI) x 100
Reserve ratio for December 31, 2022 is calculated on an annualized basis using net premiums written multiplied by four thirds as a denominator.

(6) Investment assets

(Yen in 100 millions)

	March 31, 2022	December 31, 2022	
			Change
Cash, deposits and savings	7,640	5,523	(2,117)
Investments in securities:	55,241	53,512	(1,729)
Domestic bonds	13,517	12,440	(1,076)
Domestic stocks	19,685	17,601	(2,083)
Foreign securities	21,067	22,301	1,234
Other securities	972	1,168	196
Loans	4,106	3,996	(110)
Land and buildings	1,886	1,904	18
Total	68,875	64,937	(3,938)

(Reference)

Long-term investment assets	8,816	8,366	(449)
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(7) Breakdown of interest and dividends income

(Yen in 100 millions)

	Nine months ended December 31, 2021	Nine months ended December 31, 2022	
			Change
Investments in securities:	997	1,109	112
Domestic bonds	111	103	(7)
Domestic stocks	443	538	95
Foreign securities	389	440	51
Other securities	52	26	(25)
Loans	18	17	(0)
Land and buildings	46	47	1
Other	3	7	4
Total	1,065	1,182	117

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

(Yen in 100 millions)

December 31, 2022	Cost	Fair value	Difference	Change from March 31, 2022
Domestic bonds	12,134	12,440	306	(529)
Domestic stocks	5,115	17,197	12,082	(1,854)
Foreign securities	6,410	7,015	605	(280)
Other securities	625	624	(1)	(45)
Total	24,284	37,277	12,992	(2,709)

(Yen in 100 millions)

March 31, 2022	Cost	Fair value	Difference
Domestic bonds	12,682	13,517	835
Domestic stocks	5,359	19,296	13,936
Foreign securities	6,045	6,930	885
Other securities	476	521	44
Total	24,563	40,266	15,702

(Notes) 1. The above tables describe available-for-sale securities (excluding stocks and other securities without market prices and investments in partnerships etc.).
 2. "Other securities" includes loan receivable trust beneficiary certificates and commercial papers included in Monetary claims bought on the balance sheets.

Gains and losses on sales of securities

(Yen in 100 millions)

	Nine months ended December 31, 2021 Gains/(losses)	Nine months ended December 31, 2022 Gains/(losses)	Gains	Losses
Domestic bonds	5	(4)	2	6
Domestic stocks	362	370	372	1
Foreign securities	103	102	187	84
Other securities	1	20	20	-
Total	473	490	583	93

Impairment losses on securities

(Yen in 100 millions)

	Nine months ended December 31, 2021	Nine months ended December 31, 2022	Change
Domestic bonds	-	-	-
Domestic stocks	22	0	(21)
Foreign securities	252	72	(179)
Other securities	-	-	-
Total	274	73	(201)

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

(1) Business Results

(Yen in 100 millions)

	Items	Nine months ended December 31, 2021	Nine months ended December 31, 2022	Change	Change ratio %
(+) Net premiums written	1	9,700	10,073	373	3.8
(-) Net claims paid	2	5,243	6,090	847	16.2
(-) Loss adjustment expenses	3	578	603	24	4.2
(-) Commissions and collection expenses	4	2,018	2,133	114	5.7
(-) Operating expenses and general and administrative expenses for underwriting	5	1,356	1,338	(17)	(1.3)
Underwriting profit/(loss) before movements in reserves	6	502	(93)	(595)	(118.6)
(-) Movement in outstanding claims	7	22	134	111	508.6
(-) Movement in ordinary underwriting reserves	8	(21)	290	312	-
(+) Other	9	83	141	58	69.7
Underwriting profit/(loss) before movement in catastrophe reserve	10	585	(376)	(961)	(164.3)
(-) Movement in catastrophe reserve	11	195	(399)	(595)	(304.3)
Underwriting profit	12	389	23	(366)	(94.0)
(+) Interest and dividends income	13	432	490	58	13.4
(-) Transfer of investment income on deposit premiums from policyholders	14	97	95	(1)	(1.1)
Net interest and dividends income (item 13 - item 14)	15	335	394	59	17.6
(+) Gains/(losses) on sales of securities	16	104	305	201	193.1
(-) Impairment losses on securities	17	36	24	(12)	(33.1)
(+) Other	18	(12)	(121)	(108)	-
Investment profit	19	390	553	163	42.0
(+) Other ordinary profit/(loss)	20	(20)	(12)	8	-
Ordinary profit	21	759	565	(193)	(25.5)
(+) Extraordinary income/(losses):	22	(55)	(90)	(35)	-
Gains/(losses) on reserve for price fluctuation	23	(13)	(14)	(0)	-
Income before income taxes	24	703	474	(229)	(32.6)
(-) Income taxes	25	180	102	(77)	(43.2)
Net income	26	523	371	(151)	(29.0)

Ratios	Net loss ratio	Note 1	27	60.0 %	66.5 %	6.5 %	
	Net expense ratio	Note 2	28	34.8 %	34.5 %	(0.3) %	
	Combined ratio	Note 3	29	94.8 %	101.0 %	6.2 %	

Incurred losses (including loss adjustment expenses)		Note 4, 5	30	5,081	6,114	1,033	20.3
EI loss ratio		Note 4, 6	31	59.0 %	69.9 %	10.9 %	

- (Notes) 1. Net loss ratio = (net claims paid + loss adjustment expenses) / net premiums written x 100
2. Net expense ratio = (commissions and collection expenses + operating expenses and general and administrative expenses for underwriting) / net premiums written x 100
3. Combined ratio = net loss ratio + net expense ratio
4. The calculation is exclusive of residential earthquake insurance and CALI.
5. Incurred losses (including loss adjustment expenses) = net claims paid + loss adjustment expenses + movement in outstanding claims
6. EI loss ratio = incurred losses (including loss adjustment expenses) / earned premiums x 100
Earned premiums are calculated based on unearned premiums (excluding underwriting reserves for natural disasters), premium reserve, etc.

(2) Premiums written

(Yen in 100 millions)

	Net premiums written				Direct premiums written (excluding deposit premiums from policyholders)			
	Nine months ended December 31, 2021		Nine months ended December 31, 2022		Nine months ended December 31, 2021		Nine months ended December 31, 2022	
	Amount	Change ratio %	Amount	Change ratio %	Amount	Change ratio %	Amount	Change ratio %
Fire and allied	1,463	(6.0)	1,762	20.4	1,980	(3.7)	2,356	19.0
Marine	48	(3.4)	54	11.2	-	(100.0)	-	-
Personal accident	453	2.6	464	2.3	501	5.1	515	2.8
Voluntary automobile	5,608	2.9	5,724	2.1	5,316	1.7	5,339	0.4
CALI	1,036	(3.9)	992	(4.2)	1,085	(4.4)	1,087	0.3
Other	1,089	6.1	1,075	(1.3)	1,292	6.2	1,312	1.5
Total	9,700	1.0	10,073	3.8	10,175	0.6	10,611	4.3

(3) Net claims paid

(Yen in 100 millions)

	Nine months ended December 31, 2021			Nine months ended December 31, 2022			
	Amount	Change ratio %	Net loss ratio %	Amount	Change ratio %	Net loss ratio %	Change %
Fire and allied	1,082	9.0	77.6	1,362	25.9	81.1	3.5
Marine	28	2.9	58.5	54	93.3	101.2	42.7
Personal accident	198	3.9	49.8	235	18.6	56.1	6.3
Voluntary automobile	2,695	4.9	55.0	3,103	15.2	61.2	6.2
CALI	678	(8.7)	72.7	633	(6.6)	71.6	(1.1)
Other	560	4.2	54.5	700	24.9	68.7	14.2
Total	5,243	3.6	60.0	6,090	16.2	66.5	6.5

(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)

	Nine months ended December 31, 2021			Nine months ended December 31, 2022		
	Incurred losses	Net claims paid	Outstanding claims	Incurred losses	Net claims paid	Outstanding claims
Fire and allied	128	91	37	277	213	64
Voluntary automobile	10	10	0	156	148	8
Other	7	3	4	10	5	5
Total	147	105	42	444	367	77

(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	Nine months ended December 31, 2021			Nine months ended December 31, 2022		
		Amount	Change	Change ratio %	Amount	Change	Change ratio %
Personnel expenses	1	980	30	3.2	943	(36)	(3.7)
Non-personnel expenses	2	969	25	2.7	1,017	47	4.9
Taxes and contributions	3	77	5	7.2	76	(0)	(1.2)
Total	4	2,027	61	3.1	2,037	10	0.5

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

<Expenses for underwriting>

(Yen in 100 millions)

	Items	Nine months ended December 31, 2021			Nine months ended December 31, 2022		
		Amount	Change	Change ratio %	Amount	Change	Change ratio %
Operating expenses and general and administrative expenses	5	1,356	(9)	(0.7)	1,338	(17)	(1.3)
Commissions and collection expenses	6	2,018	48	2.5	2,133	114	5.7
Total	7	3,375	38	1.2	3,472	97	2.9
Net expense ratio	8	34.8 %	0.1 %		34.5 %	(0.3) %	

(5) Catastrophe reserve

(Yen in 100 millions)

	March 31, 2022		December 31, 2022			
	Balance	Reserve ratio	Reversal	Provision	Balance	Reserve ratio
		%				%
Fire and allied	939	47.1	479	266	726	30.9
Marine	98	145.1	17	2	84	116.5
Personal accident	699	117.7	4	14	709	114.7
Voluntary automobile	1,044	14.0	270	183	958	12.6
Other	798	56.2	129	33	702	49.0
Total	3,581	31.0	901	501	3,181	26.3

(Note) Reserve ratio = catastrophe reserve / net premiums written (excluding premiums of residential earthquake insurance and CALI) x 100
Reserve ratio for December 31, 2022 is calculated on an annualized basis using net premiums written multiplied by four thirds as a denominator.

(6) Investment assets

(Yen in 100 millions)

	March 31, 2022	December 31, 2022	
			Change
Cash, deposits and savings	1,583	2,522	938
Investments in securities:	26,437	24,590	(1,846)
Domestic bonds	7,752	6,861	(891)
Domestic stocks	8,883	8,172	(710)
Foreign securities	8,653	8,510	(142)
Other securities	1,147	1,045	(102)
Loans	2,457	2,507	50
Land and buildings	1,672	1,630	(42)
Total	32,151	31,250	(900)

(Reference)

Long-term investment assets	2,935	2,664	(270)
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(7) Breakdown of interest and dividends income

(Yen in 100 millions)

	Nine months ended December 31, 2021	Nine months ended December 31, 2022	
			Change
Investments in securities:	377	434	56
Domestic bonds	59	61	2
Domestic stocks	198	229	30
Foreign securities	105	139	33
Other securities	14	3	(10)
Loans	16	17	1
Land and buildings	34	33	(1)
Other	4	5	1
Total	432	490	58

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

(Yen in 100 millions)

December 31, 2022	Cost	Fair value	Difference	Change from March 31, 2022
Domestic bonds	6,782	6,861	78	(264)
Domestic stocks	3,272	7,828	4,555	(402)
Foreign securities	7,747	7,520	(227)	(594)
Other securities	813	864	51	(72)
Total	18,616	23,075	4,458	(1,333)

(Yen in 100 millions)

March 31, 2022	Cost	Fair value	Difference
Domestic bonds	7,410	7,752	342
Domestic stocks	3,564	8,522	4,957
Foreign securities	7,448	7,816	367
Other securities	860	983	123
Total	19,283	25,075	5,791

(Note) The above tables describe available-for-sale securities (excluding stocks and other securities without market prices and investments in partnerships etc.).

Gains and losses on sales of securities

(Yen in 100 millions)

	Nine months ended December 31, 2021 Gains/(losses)	Nine months ended December 31, 2022 Gains/(losses)	Gains	Losses
Domestic bonds	3	(5)	6	11
Domestic stocks	65	305	310	4
Foreign securities	35	4	68	64
Other securities	-	-	-	-
Total	104	305	385	80

Impairment losses on securities

(Yen in 100 millions)

	Nine months ended December 31, 2021	Nine months ended December 31, 2022	Change
Domestic bonds	-	-	-
Domestic stocks	6	18	11
Foreign securities	29	5	(24)
Other securities	-	-	-
Total	36	24	(12)

4. Supplementary Information

(1) Supplementary Information on Consolidated Business Results

(a) Consolidated Business Results

(Yen in 100 millions)

	Nine months ended December 31, 2021	Nine months ended December 31, 2022	Change	Change ratio
Ordinary income and expenses:				
Underwriting income:	32,264	33,918	1,654	5.1 %
Net premiums written	27,470	29,740	2,269	8.3
Deposit premiums from policyholders	418	330	(87)	(20.9)
Life insurance premiums	4,005	2,115	(1,890)	(47.2)
Reversal of underwriting reserves	-	1,350	1,350	-
Underwriting expenses:	28,505	30,498	1,992	7.0
Net claims paid	14,406	16,475	2,068	14.4
Loss adjustment expenses	1,455	1,534	79	5.4
Commissions and collection expenses	5,438	5,866	427	7.9
Maturity refunds to policyholders	1,352	1,237	(115)	(8.5)
Life insurance claims	3,613	3,808	194	5.4
Provision for outstanding claims	630	1,450	819	130.0
Provision for underwriting reserves	1,578	-	(1,578)	(100.0)
Investment income:	4,903	6,071	1,168	23.8
Interest and dividends income	2,369	2,679	309	13.1
Investment gains on money trusts	704	1,632	928	131.8
Investment gains on trading securities	223	-	(223)	(100.0)
Gains on sales of securities	775	1,214	438	56.5
Gains on derivative transactions	-	757	757	-
Investment gains on separate accounts	757	-	(757)	(100.0)
Investment expenses:	594	2,584	1,990	335.0
Investment losses on money trusts	3	444	441	14,024.3
Investment losses on trading securities	-	212	212	-
Losses on sales of securities	84	408	324	386.7
Impairment losses on securities	318	173	(144)	(45.4)
Losses on derivative transactions	150	-	(150)	(100.0)
Investment losses on separate accounts	-	871	871	-
Operating expenses and general and administrative expenses	5,081	5,330	248	4.9
Other ordinary income and expenses:	40	38	(1)	(2.7)
Gains/(losses) on equity method investments	101	51	(50)	(49.2)
Ordinary profit	3,025	1,615	(1,410)	(46.6)
Extraordinary income and losses:				
Extraordinary income	22	7	(14)	(65.9)
Extraordinary losses	175	243	67	38.5
Extraordinary income/(losses)	(153)	(235)	(82)	-
Income before income taxes	2,872	1,379	(1,492)	(52.0)
Income taxes	798	476	(322)	(40.3)
Net income	2,073	902	(1,170)	(56.4)
Net income attributable to non-controlling interests	27	23	(3)	(13.6)
Net income attributable to owners of the parent	2,046	879	(1,166)	(57.0)

(b) 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	Nine months ended December 31, 2021			Nine months ended December 31, 2022		
	Amount	Share (%)	Change ratio (%)	Amount	Share (%)	Change ratio (%)
Fire and allied	608,566	20.6	1.0	704,787	22.2	15.8
Marine	160,368	5.4	5.5	200,846	6.3	25.2
Personal accident	215,047	7.3	(4.9)	224,236	7.1	4.3
Voluntary automobile	1,231,431	41.6	2.9	1,256,600	39.5	2.0
CALI	208,833	7.0	(5.0)	207,157	6.5	(0.8)
Other	536,285	18.1	3.2	586,587	18.4	9.4
Total:	2,960,533	100.0	1.5	3,180,215	100.0	7.4
Deposit premiums from policyholders	41,852	1.4	(32.3)	33,097	1.0	(20.9)

Net Premiums Written by Line of Insurance

(Yen in millions)

Lines of Insurance	Nine months ended December 31, 2021			Nine months ended December 31, 2022		
	Amount	Share (%)	Change ratio (%)	Amount	Share (%)	Change ratio (%)
Fire and allied	479,369	17.5	1.8	570,793	19.2	19.1
Marine	124,393	4.5	5.0	154,513	5.2	24.2
Personal accident	173,199	6.3	1.5	185,186	6.2	6.9
Voluntary automobile	1,259,884	45.9	2.4	1,293,705	43.5	2.7
CALI	215,275	7.8	(5.1)	205,201	6.9	(4.7)
Other	494,964	18.0	7.1	564,602	19.0	14.1
Total	2,747,086	100.0	2.6	2,974,002	100.0	8.3

Net Claims Paid by Line of Insurance

(Yen in millions)

Lines of Insurance	Nine months ended December 31, 2021			Nine months ended December 31, 2022		
	Amount	Share (%)	Change ratio (%)	Amount	Share (%)	Change ratio (%)
Fire and allied	292,428	20.3	7.4	372,450	22.6	27.4
Marine	48,609	3.4	(12.9)	62,185	3.8	27.9
Personal accident	83,600	5.8	(2.5)	114,501	6.9	37.0
Voluntary automobile	632,941	43.9	5.9	696,343	42.3	10.0
CALI	149,298	10.4	(8.3)	139,016	8.4	(6.9)
Other	233,773	16.2	(0.8)	263,052	16.0	12.5
Total	1,440,651	100.0	2.1	1,647,550	100.0	14.4

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

(c) Investments in Securities

1. Trading securities

(Yen in millions)

	March 31, 2022		December 31, 2022	
	Carrying amount	Unrealized gains/(losses) included in income	Carrying amount	Unrealized gains/(losses) included in income
Trading securities	2,881,150	(21,877)	2,662,191	(178,099)

(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, 2022			December 31, 2022		
	Carrying amount	Fair value	Difference	Carrying amount	Fair value	Difference
Domestic Bonds	1,220,261	1,355,323	135,061	1,222,151	1,254,758	32,607
Foreign Securities	3,875	3,852	(22)	4,768	4,890	121
Other Securities	12,794	12,794	-	10,817	10,817	-
Total	1,236,931	1,371,971	135,039	1,237,736	1,270,465	32,729

(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, 2022			December 31, 2022		
	Carrying amount	Fair value	Difference	Carrying amount	Fair value	Difference
Domestic Bonds	1,928,505	1,808,470	(120,034)	1,947,889	1,524,658	(423,230)
Foreign Securities	762,307	765,773	3,466	212,060	194,319	(17,740)
Total	2,690,812	2,574,244	(116,567)	2,159,949	1,718,978	(440,971)

4. Available-for-sale securities

(Yen in millions)

Items	March 31, 2022			December 31, 2022		
	Cost	Carrying amount	Difference	Cost	Carrying amount	Difference
Domestic Bonds	2,942,768	3,091,347	148,578	2,808,330	2,815,912	7,581
Domestic Stocks	943,916	2,782,250	1,838,333	888,294	2,503,020	1,614,726
Foreign Securities	3,476,345	3,666,310	189,964	4,074,922	4,008,446	(66,475)
Other Securities	294,132	311,557	17,424	303,627	304,404	777
Total	7,657,163	9,851,465	2,194,301	8,075,174	9,631,784	1,556,609

(Notes) 1. Stocks and other securities without market prices and investments in partnerships etc. are excluded from 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 (excluding stocks and other securities without market prices and investments in partnerships etc.) as follows.
For the year ended March 31, 2022, ¥32,701 million (comprised of ¥2,724 million on Domestic stocks and ¥29,976 million on Foreign securities)
For the nine months ended December 31, 2022, ¥15,500 million (comprised of ¥843 million on Domestic stocks and ¥14,657 million on Foreign securities)
In principle, the Company and its domestic consolidated subsidiaries recognize impairment losses on securities if the fair value declines by 30% or more from the cost.

(2) Summary of Business Results of Main Consolidated Subsidiaries

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

Non-Consolidated Balance Sheets

(Yen in millions)

Items	March 31, 2022	December 31, 2022
(Assets)		
Cash, deposits and savings	759,266	545,474
Monetary claims bought	4,368	6,428
Money trusts	474	493
Investments in securities	5,524,192	5,351,201
Loans	410,660	399,657
Tangible fixed assets	207,534	205,330
Intangible fixed assets	93,554	85,314
Other assets	359,190	355,470
Customers' liabilities under acceptances and guarantees	16,822	16,849
Bad debt reserve	(1,736)	(2,188)
Total assets	7,374,326	6,964,031
(Liabilities)		
Policy liabilities:	3,755,418	3,749,432
Outstanding claims	726,484	770,156
Underwriting reserves	3,028,933	2,979,275
Bonds issued	630,902	580,902
Other liabilities:	621,956	549,358
Income taxes payable	5,300	18,853
Lease obligations	778	338
Asset retirement obligations	3,990	4,018
Other liabilities	611,885	526,149
Reserve for pension and retirement benefits	84,660	76,088
Reserve for retirement benefits for officers	171	130
Accrued bonuses for employees	9,806	480
Reserve for stock payments	-	358
Reserves under the special laws:	27,332	30,624
Reserve for price fluctuation	27,332	30,624
Deferred tax liabilities	138,075	61,506
Acceptances and guarantees	16,822	16,849
Total liabilities	5,285,144	5,065,731
(Net assets)		
Common stock	139,595	139,595
Capital surplus	93,107	93,107
Retained earnings	704,391	711,382
Total shareholders' equity	937,095	944,086
Net unrealized gains/(losses) on investments in securities	1,134,070	939,237
Net deferred gains/(losses) on hedges	18,015	14,976
Total valuation and translation adjustments	1,152,086	954,213
Total net assets	2,089,181	1,898,299
Total liabilities and net assets	7,374,326	6,964,031

Non-Consolidated Statements of Income

(Yen in millions)

Items	Nine months ended December 31, 2021	Nine months ended December 31, 2022
Ordinary income:	1,396,572	1,481,141
Underwriting income:	1,254,690	1,314,292
Net premiums written	1,178,793	1,219,719
Deposit premiums from policyholders	30,509	24,999
Investment income on deposit premiums from policyholders	19,514	18,324
Reversal of underwriting reserves	24,378	49,657
Investment income:	138,651	163,334
Interest and dividends income	106,525	118,248
Investment gains on money trusts	29	19
Gains on sales of securities	47,754	58,354
Transfer of investment income on deposit premiums from policyholders	(19,514)	(18,324)
Other ordinary income	3,229	3,514
Ordinary expenses:	1,251,157	1,332,913
Underwriting expenses:	1,041,639	1,135,884
Net claims paid	616,783	698,972
Loss adjustment expenses	73,083	76,391
Commissions and collection expenses	225,741	233,411
Maturity refunds to policyholders	94,683	82,815
Provision for outstanding claims	30,800	43,672
Investment expenses:	30,321	20,968
Investment losses on money trusts	8	-
Losses on sales of securities	440	9,341
Impairment losses on securities	27,470	7,339
Operating expenses and general and administrative expenses	171,014	171,771
Other ordinary expenses:	8,181	4,289
Interest expense	7,441	3,751
Ordinary profit	145,414	148,228
Extraordinary income	1,216	134
Extraordinary losses	8,723	11,523
Income before income taxes	137,908	136,838
Income taxes	27,533	26,650
Net income	110,374	110,188

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, 2022	December 31, 2022
(A) Total amount of solvency margin	3,598,612	3,393,909
Total net assets	866,008	944,086
Reserve for price fluctuation	27,332	30,624
Contingency reserve	325	612
Catastrophe reserve	625,266	603,536
General bad debt reserve	78	64
Net unrealized gains/(losses) on investments in securities and net deferred gains/(losses) on hedges (prior to tax effect deductions)	1,415,205	1,171,659
Net unrealized gains/(losses) on land	55,081	53,695
Excess of policyholders' contract deposits (a)	-	-
Subordinated debts, etc. (b)	380,902	330,902
Amount excluded from the margin, out of (a) and (b)	-	-
Deductions	3,642	3,642
Others	232,054	262,369
(B) Total amount of risks $\sqrt{(R_1 + R_2)^2 + (R_3 + R_4)^2} + R_5 + R_6$	996,144	995,696
General insurance risk (R_1)	144,258	145,775
Insurance risk of third sector insurance contracts (R_2)	-	-
Assumed interest rate risk (R_3)	11,064	10,485
Asset management risk (R_4)	821,285	818,931
Business administration risk (R_5)	22,117	22,132
Catastrophe risk (R_6)	129,267	131,435
(C) Solvency margin ratio [(A) / {(B) x 1/2}] x 100	722.5 %	681.7 %

(Note) The non-consolidated solvency margin ratio for December 31, 2022 is calculated by partially applying the simplified method where components are calculated based on the data used for September 30, 2022.

(b) Aioi Nissay Dowa Insurance Co., Ltd. (Non-consolidated)**Non-Consolidated Balance Sheets**

(Yen in millions)

Items	March 31, 2022	December 31, 2022
(Assets)		
Cash, deposits and savings	155,570	249,190
Money trusts	2,821	3,033
Investments in securities	2,643,754	2,459,059
Loans	245,701	250,753
Tangible fixed assets	181,973	175,753
Intangible fixed assets	71,174	72,370
Other assets	366,920	330,584
Prepaid pension expenses	24,930	27,130
Deferred tax assets	45,270	90,091
Customers' liabilities under acceptances and guarantees	8,000	10,000
Bad debt reserve	(966)	(767)
Total assets	3,745,150	3,667,199
(Liabilities)		
Policy liabilities:	2,465,971	2,441,632
Outstanding claims	623,230	636,630
Underwriting reserves	1,842,741	1,805,002
Bonds issued	72,000	50,000
Other liabilities:	320,157	388,585
Income taxes payable	4,860	1,850
Asset retirement obligations	1,204	1,181
Other liabilities	314,093	385,554
Reserve for pension and retirement benefits	39,688	41,850
Accrued bonuses for employees	7,054	712
Reserve for stock payments	-	334
Reserves under the special laws:	33,797	35,224
Reserve for price fluctuation	33,797	35,224
Acceptances and guarantees	8,000	10,000
Total liabilities	2,946,669	2,968,340
(Net assets)		
Common stock	100,005	100,005
Capital surplus	81,207	81,207
Retained earnings	197,213	193,386
Total shareholders' equity	378,426	374,599
Net unrealized gains/(losses) on investments in securities	420,054	324,259
Total valuation and translation adjustments	420,054	324,259
Total net assets	798,480	698,858
Total liabilities and net assets	3,745,150	3,667,199

Non-Consolidated Statements of Income

(Yen in millions)

Items	Nine months ended December 31, 2021	Nine months ended December 31, 2022
Ordinary income:	1,055,628	1,158,614
Underwriting income:	1,001,930	1,072,642
Net premiums written	970,014	1,007,340
Deposit premiums from policyholders	11,343	8,097
Investment income on deposit premiums from policyholders	9,702	9,595
Reversal of underwriting reserves	6,230	37,738
Investment income:	48,587	78,502
Interest and dividends income	43,256	49,067
Investment gains on money trusts	0	0
Gains on sales of securities	11,487	38,538
Transfer of investment income on deposit premiums from policyholders	(9,702)	(9,595)
Other ordinary income	5,109	7,469
Ordinary expenses:	979,708	1,102,083
Underwriting expenses:	827,744	938,090
Net claims paid	524,351	609,072
Loss adjustment expenses	57,898	60,338
Commissions and collection expenses	201,881	213,376
Maturity refunds to policyholders	40,571	40,913
Provision for outstanding claims	2,201	13,400
Investment expenses:	5,461	18,867
Losses on sales of securities	1,077	8,024
Impairment losses on securities	3,676	2,458
Operating expenses and general and administrative expenses	144,843	143,423
Other ordinary expenses:	1,658	1,702
Interest expense	591	494
Ordinary profit	75,920	56,530
Extraordinary income	732	95
Extraordinary losses	6,269	9,188
Income before income taxes	70,383	47,437
Income taxes	18,023	10,242
Net income	52,359	37,195

Non-Consolidated Solvency Margin Ratio

(Yen in millions)

	March 31, 2022	December 31, 2022
(A) Total amount of solvency margin	1,396,160	1,273,918
Total net assets	348,631	374,599
Reserve for price fluctuation	33,797	35,224
Contingency reserve	1,139	1,269
Catastrophe reserve	359,818	319,059
General bad debt reserve	205	183
Net unrealized gains/(losses) on investments in securities and net deferred gains/(losses) on hedges (prior to tax effect deductions)	523,963	404,537
Net unrealized gains/(losses) on land	35,123	36,469
Excess of policyholders' contract deposits (a)	-	-
Subordinated debts, etc. (b)	50,000	50,000
Amount excluded from the margin, out of (a) and (b)	-	-
Deductions	5,394	6,094
Others	48,875	58,670
(B) Total amount of risks $\sqrt{(R_1 + R_2)^2 + (R_3 + R_4)^2} + R_5 + R_6$	368,045	328,655
General insurance risk (R_1)	121,208	122,065
Insurance risk of third sector insurance contracts (R_2)	-	-
Assumed interest rate risk (R_3)	5,544	5,245
Asset management risk (R_4)	241,858	231,610
Business administration risk (R_5)	9,042	8,257
Catastrophe risk (R_6)	83,503	53,938
(C) Solvency margin ratio [(A) / {(B) x 1/2}] x 100	758.6 %	775.2 %

(Note) The non-consolidated solvency margin ratio for December 31, 2022 is calculated by partially applying the simplified method where components are calculated based on the data used for September 30, 2022.

(c) Mitsui Direct General Insurance Co., Ltd. (Non-consolidated)**Non-Consolidated Balance Sheets**

(Yen in millions)

Items	March 31, 2022	December 31, 2022
(Assets)		
Cash, deposits and savings	17,499	10,853
Investments in securities	35,268	39,273
Tangible fixed assets	728	667
Intangible fixed assets	4,393	5,225
Other assets	4,917	4,599
Deferred tax assets	130	156
Bad debt reserve	(3)	(2)
Total assets	62,933	60,772
(Liabilities)		
Policy liabilities:	44,176	41,346
Outstanding claims	23,734	22,385
Underwriting reserves	20,442	18,961
Other liabilities:	2,267	1,618
Income taxes payable	106	202
Asset retirement obligations	198	198
Other liabilities	1,963	1,217
Reserve for pension and retirement benefits	373	418
Accrued bonuses for employees	294	-
Reserve for stock payments	-	8
Reserves under the special laws:	94	100
Reserve for price fluctuation	94	100
Deferred tax liabilities	5	-
Total liabilities	47,212	43,492
(Net assets)		
Common stock	39,106	39,106
Capital surplus	9,006	9,006
Retained earnings	(32,284)	(30,312)
Total shareholders' equity	15,827	17,799
Net unrealized gains/(losses) on investments in securities	(106)	(519)
Total valuation and translation adjustments	(106)	(519)
Total net assets	15,720	17,280
Total liabilities and net assets	62,933	60,772

Non-Consolidated Statements of Income

(Yen in millions)

Items	Nine months ended December 31, 2021	Nine months ended December 31, 2022
Ordinary income:	27,485	27,994
Underwriting income:	27,445	27,959
Net premiums written	25,784	25,113
Investment income on deposit premiums from policyholders	14	16
Reversal of outstanding claims	152	1,349
Reversal of underwriting reserves	1,493	1,480
Investment income:	24	17
Interest and dividends income	39	33
Transfer of investment income on deposit premiums from policyholders	(14)	(16)
Other ordinary income	15	17
Ordinary expenses:	24,940	25,800
Underwriting expenses:	17,211	17,541
Net claims paid	14,907	15,294
Loss adjustment expenses	2,047	1,967
Commissions and collection expenses	255	279
Investment expenses	-	-
Operating expenses and general and administrative expenses	7,726	8,257
Other ordinary expenses	2	1
Ordinary profit	2,544	2,194
Extraordinary income	-	-
Extraordinary losses	5	7
Income before income taxes	2,539	2,187
Income taxes	289	215
Net income	2,250	1,972

Non-Consolidated Solvency Margin Ratio

(Yen in millions)

	March 31, 2022	December 31, 2022
(A) Total amount of solvency margin	17,001	18,228
Total net assets	15,827	17,799
Reserve for price fluctuation	94	100
Contingency reserve	0	0
Catastrophe reserve	1,185	847
General bad debt reserve	1	0
Net unrealized gains/(losses) on investments in securities and net deferred gains/(losses) on hedges (prior to tax effect deductions)	(106)	(519)
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 $\sqrt{(R_1 + R_2)^2 + (R_3 + R_4)^2} + R_5 + R_6$	5,199	5,219
General insurance risk (R_1)	4,616	4,616
Insurance risk of third sector insurance contracts (R_2)	-	-
Assumed interest rate risk (R_3)	0	0
Asset management risk (R_4)	994	1,073
Business administration risk (R_5)	177	179
Catastrophe risk (R_6)	300	300
(C) Solvency margin ratio [(A) / {(B) x 1/2}] x 100	653.9 %	698.5 %

(Note) The non-consolidated solvency margin ratio for December 31, 2022 is calculated by partially applying the simplified method where components are calculated based on the data used for September 30, 2022.

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

Non-Consolidated Balance Sheets

(Yen in millions)

Items	March 31, 2022	December 31, 2022
(Assets)		
Cash, deposits and savings	107,417	230,561
Investments in securities	4,613,652	4,528,106
Loans	58,990	60,184
Tangible fixed assets	6,855	7,213
Intangible fixed assets	28,968	26,742
Due from agencies	1,379	1,375
Reinsurance accounts receivable	1,274	175
Other assets	54,370	56,245
Deferred tax assets	10,923	38,860
Bad debt reserve	(91)	(91)
Total assets	4,883,740	4,949,374
(Liabilities)		
Policy liabilities:	4,208,571	4,325,930
Outstanding claims	38,970	42,327
Underwriting reserves	4,158,746	4,272,731
Reserve for dividends to policyholders	10,854	10,871
Due to agencies	2,949	2,770
Reinsurance accounts payable	309	332
Other liabilities:	480,344	500,407
Payables under repurchase agreements	227,342	226,894
Payables under securities lending transactions	228,535	263,542
Income taxes payable	632	-
Lease obligations	239	173
Asset retirement obligations	414	408
Other liabilities	23,179	9,389
Reserve for pension and retirement benefits	4,647	4,943
Reserve for retirement benefits for officers	5	4
Reserve for stock payments	-	47
Reserves under the special laws:	11,126	12,101
Reserve for price fluctuation	11,126	12,101
Total liabilities	4,707,955	4,846,537
(Net assets)		
Common stock	85,500	85,500
Capital surplus	19,955	19,955
Retained earnings	40,662	39,552
Total shareholders' equity	146,117	145,008
Net unrealized gains/(losses) on investments in securities	29,667	(42,170)
Total valuation and translation adjustments	29,667	(42,170)
Total net assets	175,784	102,837
Total liabilities and net assets	4,883,740	4,949,374

Non-Consolidated Statements of Income

(Yen in millions)

Items	Nine months ended December 31, 2021	Nine months ended December 31, 2022
Ordinary income:	413,800	412,532
Insurance premiums and others:	370,851	361,188
Insurance premiums	370,544	360,316
Investment income:	41,157	48,693
Interest and dividends income	37,774	40,895
Gains on sales of securities	3,379	7,747
Gains on derivative transactions	-	34
Other ordinary income:	1,791	2,650
Ordinary expenses:	386,407	394,097
Insurance claims and others:	170,088	200,946
Insurance claims	36,173	36,560
Annuity payments	15,290	15,690
Benefits	25,320	39,864
Surrender benefits	89,128	104,857
Other refunds	2,888	2,625
Provision for underwriting reserves and others:	145,643	117,341
Provision for outstanding claims	1,249	3,356
Provision for underwriting reserves	144,393	113,984
Provision for interest portion of reserve for dividends to policyholders	0	0
Investment expenses:	1,080	5,308
Losses on sales of securities	637	3,928
Losses on derivative transactions	151	-
Operating expenses	55,063	55,062
Other ordinary expenses	14,532	15,438
Ordinary profit	27,392	18,434
Extraordinary income	0	1
Extraordinary losses	939	1,015
Provision for reserve for dividends to policyholders	3,131	2,844
Income before income taxes	23,321	14,575
Income taxes	6,263	4,210
Net income	17,058	10,365

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

(1) Policies in force

(Yen in 100 millions)

	March 31, 2022		December 31, 2022	
	Number of policies (in thousands)	Amount	Number of policies (in thousands)	Amount
Individual insurance	3,858	232,274	3,875	228,183
Individual annuities	159	6,203	155	6,033
Group insurance	-	96,180	-	99,101
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)

	Nine months ended December 31, 2021				Nine months ended December 31, 2022			
	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	176	13,000	13,000	-	153	11,015	11,015	-
Individual annuities	0	30	30	-	0	22	22	-
Group insurance	-	381	381	-	-	462	462	-
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, 2022	December 31, 2022
Individual insurance	4,057	4,039
Individual annuities	381	370
Total:	4,438	4,410
Medical coverage, living benefits, etc.	1,524	1,561

(2) New policies

(Yen in 100 millions)

	Nine months ended December 31, 2021	Nine months ended December 31, 2022
Individual insurance	203	200
Individual annuities	1	0
Total:	204	201
Medical coverage, living benefits, etc.	108	98

(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)

	Nine months ended December 31, 2021	Nine months ended December 31, 2022	Change
Fundamental revenues:	410,488	406,451	(4,037)
Insurance premiums and others	370,851	361,188	(9,662)
Fundamental expenses	385,012	389,905	4,892
Fundamental profit	25,476	16,546	(8,930)
Capital gains/(losses)	2,522	2,152	(370)
Non-recurring gains/(losses)	(606)	(263)	343
Ordinary profit	27,392	18,434	(8,957)
Extraordinary income	0	1	0
Extraordinary losses	939	1,015	76
Provision for reserve for dividends to policyholders	3,131	2,844	(286)
Income taxes	6,263	4,210	(2,052)
Net income	17,058	10,365	(6,693)

(Note) Since the three-month period ended June 30, 2022, calculation of fundamental profit has been changed. As a result, due to the effect of gains/(losses) on cancellations of investment trusts etc. included in capital gains/(losses) after the change, capital gains/(losses) decreased by ¥1,718 million and fundamental profit increased by the same amount for the nine-month period ended December 31, 2022, compared to those before the change. Also, the amounts for the nine-month period ended December 31, 2021 were restated accordingly. As a result, due to the effect of gains/(losses) on cancellations of investment trusts etc., capital gains/(losses) decreased by ¥73 million and fundamental profit increased by the same amount, compared to those before the change.

Non-Consolidated Solvency Margin Ratio

(Yen in millions)

	March 31, 2022	December 31, 2022
(A) Total amount of solvency margin	398,033	281,589
Total capital	134,643	141,125
Reserve for price fluctuation	11,126	12,101
Contingency reserve	40,305	40,569
General bad debt reserve	4	4
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)	37,083	(58,570)
Net unrealized gains/(losses) on land x 85%	-	-
Excess of continued Zillmerized reserve (a)	165,324	162,824
Subordinated debts, etc. (b)	-	-
Amount excluded from the margin, out of (a) and (b)	-	(27,815)
Brought in capital	-	-
Deductions	-	-
Others	9,545	11,351
(B) Total amount of risks $\sqrt{(R_1 + R_8)^2 + (R_2 + R_3 + R_7)^2} + R_4$	69,105	68,543
Insurance risk (R ₁)	18,369	18,297
Insurance risk of third sector insurance contracts (R ₈)	17,845	18,174
Assumed interest rate risk (R ₂)	3,263	3,275
Minimum guarantee risk (R ₇)	-	-
Asset management risk (R ₃)	53,400	52,566
Business administration risk (R ₄)	1,857	1,846
(C) Solvency margin ratio [(A) / {(B) x 1/2}] x 100	1,151.9 %	821.6 %

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

Non-Consolidated Balance Sheets

(Yen in millions)

Items	March 31, 2022	December 31, 2022
(Assets)		
Cash, deposits and savings	764,012	860,283
Monetary claims bought	80,995	80,995
Money trusts	2,035,737	2,003,403
Investments in securities	3,748,856	3,196,952
Loans	288,656	283,582
Tangible fixed assets	743	682
Intangible fixed assets	12,553	11,486
Reinsurance accounts receivable	2,482	26,742
Other assets	39,109	38,874
Deferred tax assets	80,169	132,014
Bad debt reserve	(9)	(5)
Total assets	7,053,307	6,635,010
(Liabilities)		
Policy liabilities:	6,545,794	6,260,234
Outstanding claims	27,676	23,603
Underwriting reserves	6,518,118	6,236,631
Due to agencies	2,847	4,198
Reinsurance accounts payable	4,950	20,790
Other liabilities:	64,209	66,746
Income taxes payable	4,227	-
Lease obligations	607	487
Asset retirement obligations	182	184
Other liabilities	59,192	66,074
Reserve for stock payments	-	8
Reserves under the special laws:	194,031	196,982
Reserve for price fluctuation	194,031	196,982
Total liabilities	6,811,832	6,548,961
(Net assets)		
Common stock	41,060	41,060
Capital surplus	24,735	24,735
Retained earnings	182,927	160,818
Total shareholders' equity	248,722	226,613
Net unrealized gains/(losses) on investments in securities	(782)	(111,858)
Net deferred gains/(losses) on hedges	(6,465)	(28,705)
Total valuation and translation adjustments	(7,248)	(140,564)
Total net assets	241,474	86,049
Total liabilities and net assets	7,053,307	6,635,010

Non-Consolidated Statements of Income

(Yen in millions)

Items	Nine months ended December 31, 2021	Nine months ended December 31, 2022
Ordinary income:	1,008,337	1,460,812
Insurance premiums and others:	733,639	979,895
Insurance premiums	660,825	867,650
Investment income:	222,145	192,055
Interest and dividends income	48,526	53,247
Investment gains on money trusts	70,118	118,830
Investment gains on trading securities	46	118
Gains on sales of securities	7,468	6,154
Foreign exchange gains	18,426	13,150
Investment gains on separate accounts	75,769	-
Other ordinary income	52,551	288,861
Reversal of outstanding claims	2,374	4,072
Reversal of underwriting reserves	47,065	281,487
Ordinary expenses:	954,811	1,458,728
Insurance claims and others:	912,158	1,304,728
Insurance claims	91,950	110,510
Annuity payments	62,430	64,157
Benefits	199,208	212,637
Surrender benefits	424,550	710,628
Other refunds	2,914	4,896
Reinsurance premiums	131,104	201,897
Investment expenses:	1,339	100,960
Interest expense	9	8
Losses on sales of securities	1,281	13,568
Investment losses on separate accounts	-	87,159
Operating expenses	33,642	43,338
Other ordinary expenses	7,671	9,700
Ordinary profit	53,525	2,084
Extraordinary income	-	-
Extraordinary losses	2,485	2,951
Income/(loss) before income taxes	51,039	(867)
Income taxes	13,992	(614)
Net income/(loss)	37,046	(252)

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

(1) Policies in force (Yen in 100 millions)

	March 31, 2022		December 31, 2022	
	Number of policies (in thousands)	Amount	Number of policies (in thousands)	Amount
Individual insurance	665	45,874	653	45,531
Individual annuities	353	22,161	352	21,200
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)

	Nine months ended December 31, 2021				Nine months ended December 31, 2022			
	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	70	5,982	5,982	-	107	7,131	7,131	-
Individual annuities	9	662	662	-	27	1,861	1,861	-
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, 2022	December 31, 2022
Individual insurance	4,284	4,518
Individual annuities	2,475	2,458
Total:	6,759	6,976
Medical coverage, living benefits, etc.	6	7

(2) New policies (Yen in 100 millions)

	Nine months ended December 31, 2021	Nine months ended December 31, 2022
Individual insurance	562	594
Individual annuities	123	250
Total:	686	845
Medical coverage, living benefits, etc.	1	1

(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)

	Nine months ended December 31, 2021	Nine months ended December 31, 2022	Change
Fundamental revenues:	997,789	1,520,319	522,530
Insurance premiums and others	733,639	979,895	246,255
Fundamental expenses	981,467	1,460,572	479,104
Fundamental profit	16,321	59,747	43,425
Capital gains/(losses)	35,972	(55,083)	(91,056)
Non-recurring gains/(losses)	1,230	(2,579)	(3,809)
Ordinary profit	53,525	2,084	(51,441)
Extraordinary income	-	-	-
Extraordinary losses	2,485	2,951	465
Provision for reserve for dividends to policyholders	-	-	-
Income taxes	13,992	(614)	(14,607)
Net income/(loss)	37,046	(252)	(37,299)

(Note) Since the three-month period ended June 30, 2022, calculation of fundamental profit has been changed. As a result, due to the effect of hedge costs on foreign exchange etc. included in fundamental profit after the change, fundamental profit decreased by ¥3,737 million and capital gains/(losses) increased by the same amount for the nine-month period ended December 31, 2022, compared to those before the change. Also, the amounts for the nine-month period ended December 31, 2021 were restated accordingly. As a result, due to the effect of hedge costs on foreign exchange etc., fundamental profit decreased by ¥248 million and capital gains/(losses) increased by the same amount, compared to those before the change.

Non-Consolidated Solvency Margin Ratio

(Yen in millions)

	March 31, 2022	December 31, 2022
(A) Total amount of solvency margin	739,516	599,376
Total capital	226,865	226,613
Reserve for price fluctuation	194,031	196,982
Contingency reserve	79,070	81,654
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)	(5,170)	(181,412)
Net unrealized gains/(losses) on land x 85%	-	-
Excess of continued Zillmerized reserve (a)	188,425	219,343
Subordinated debts, etc. (b)	-	-
Amount excluded from the margin, out of (a) and (b)	-	-
Brought in capital	-	-
Deductions	-	-
Others	56,293	56,195
(B) Total amount of risks $\sqrt{(R_1 + R_8)^2 + (R_2 + R_3 + R_7)^2} + R_4$	135,086	139,183
Insurance risk (R_1)	1,331	1,411
Insurance risk of third sector insurance contracts (R_8)	3	2
Assumed interest rate risk (R_2)	29,440	34,325
Minimum guarantee risk (R_7)	1,366	1,261
Asset management risk (R_3)	101,598	100,832
Business administration risk (R_4)	2,674	2,756
(C) Solvency margin ratio [(A) / {(B) x 1/2}] x 100	1,094.8 %	861.2 %