

## Income and Expenditure Account

(for the year ended 31 March 2019)

(Unit : JPY)

Accounts	Amount
<b>Ordinary income and expenses</b>	
<b>Ordinary income</b>	<b>19,095,357,432</b>
<b>Underwriting income</b>	<b>16,598,498,974</b>
Net premiums written	16,369,284,519
Exchange gains	72,501,018
Other underwriting profits	156,713,437
<b>Investment income</b>	<b>2,428,084,902</b>
Interest and dividends	987,098,632
Profit on sales of securities	100,570,233
Redemption profit on securities	432,602
Exchange gains	1,339,757,135
Other investment income	226,300
<b>Other ordinary profit</b>	<b>68,773,556</b>
Reversal of reserve for bad debts	25,237,198
Reversal of bonus reserve	1,883,258
Other ordinary profit	41,653,100
<b>Ordinary expenses</b>	<b>16,614,951,551</b>
<b>Underwriting expenses</b>	<b>13,234,916,338</b>
Net claims paid	11,742,717,746
Provision for outstanding claims	1,435,495,825
Provision for underwriting reserve	56,702,767
<b>Investment expenses</b>	<b>242,701,313</b>
Losses on money trusts	237,830,214
Losses on sales of securities	4,871,099
<b>Operating expenses</b>	<b>2,941,947,477</b>
<b>Other ordinary expenses</b>	<b>195,386,423</b>
Tax	12,336,787
Depreciation	71,605,622
Provision for retirement benefit	78,117,869
Provision for directors' retirement benefit	28,950,000
Other ordinary expenses	4,376,145
<b>Ordinary surplus</b>	<b>2,480,405,881</b>
<b>Special income</b>	<b>2,111,841</b>
Gains on disposal of fixed assets	2,111,841
<b>Special loss</b>	<b>1,722,541</b>
Losses on disposal of fixed assets	1,722,541
<b>Surplus before income taxes</b>	<b>2,480,795,181</b>
<b>Current income taxes</b>	1,228,473,525
<b>Deferred income taxes</b>	(531,569,667)
<b>Total income taxes</b>	<b>696,903,858</b>
<b>Surplus after income taxes</b>	<b>1,783,891,323</b>

(Notes)

(1) For foreign currency bonds, the Association records unrealized foreign exchange gains and losses with respect to the amortized cost denominated in foreign currency to the income and expenditure account each period.

(2) The aggregate revenue of business transacted with subsidiary companies amounts to ¥34 million and the aggregate expenses amounts to ¥47 million.

(3) ① Net premiums written consist of the following;

Calls and premiums written	¥21,069	Million
Reinsurance premiums ceded	¥4,700	Million
Net premiums written	¥16,369	Million

Supplementary Calls for 2017 Policy Year (40%, ¥5,475 Million) are included in the above ¥21,069 Million.

② Net claims paid consist of the following;

Claims paid	¥13,147	Million
Reinsurance claims recovered	¥1,404	Million
Net claims paid	¥11,742	Million

③ The provision for outstanding claims amounts to ¥1,435 million after the deduction of the provision for ceded reinsurance in the amount of ¥4,648 million.

④ There are no provision for ceded underwriting reserves deducted for the purpose of calculating the provision for underwriting reserves in the amount of ¥56 million.

⑤ Interest and dividends consist of the following;

Interest on deposits & savings	¥155	Million
Interest on securities	¥831	Million
Total	¥987	Million

⑥ "Valuation loss of ¥217 million is included in "Losses on money trusts".

(4) A reconciliation between the effective statutory tax rate and the actual effective tax rate after application of deferred tax accounting is as follows:

Effective statutory tax rate	27.92%
Entertainment and other expenses not deductible for tax purposes	0.27%
Tax on per capita basis	0.06%
Others	△0.16%
Actual effective tax rate	28.09%

(5) Provision for underwriting reserve consists of the following:

Reversal of ordinary underwriting reserve	¥432	Million
Provision for catastrophe reserve	¥489	Million
Total	¥56	Million

(6) Footnote amounts not shown as a single currency unit have been appropriately rounded down for presentation purposes.