

## Income and Expenditure Account

(for the year ended 31 March 2021)

(Unit : JPY)

Accounts	Amount
<b>Ordinary income and expenses</b>	
<b>Ordinary income</b>	<b>20,163,444,864</b>
<b>Underwriting income</b>	<b>16,782,848,402</b>
Net premiums written	14,975,607,302
Reversal of underwriting reserve	1,585,757,625
Exchange gains	69,433,065
Other underwriting profits	152,050,410
<b>Investment income</b>	<b>3,321,421,989</b>
Interest and dividends	709,723,422
Gains on money trusts	1,950,853,367
Redemption profit on securities	125,756
Exchange gains	660,719,444
<b>Other ordinary profit</b>	<b>59,174,473</b>
Other ordinary profit	59,174,473
<b>Ordinary expenses</b>	<b>16,426,755,565</b>
<b>Underwriting expenses</b>	<b>13,348,990,914</b>
Net claims paid	13,242,417,726
Provision for outstanding claims	86,618,687
Other underwriting expenses	19,954,501
<b>Operating expenses</b>	<b>2,774,659,949</b>
<b>Other ordinary expenses</b>	<b>303,104,702</b>
Tax	12,379,550
Depreciation	42,132,262
Provision for bad debts	20,669,933
Provision for reserve for bonuses	108,647,000
Provision for retirement benefit	90,753,201
Provision for directors' retirement benefit	28,450,000
Other ordinary expenses	72,756
<b>Ordinary surplus</b>	<b>3,736,689,299</b>
<b>Special loss</b>	<b>191,948</b>
Losses on disposal of fixed assets	191,948
<b>Surplus before income taxes</b>	<b>3,736,497,351</b>
<b>Current income taxes</b>	1,537,200
<b>Deferred income taxes</b>	1,043,953,486
<b>Total income taxes</b>	<b>1,045,490,686</b>
<b>Surplus after income taxes</b>	<b>2,691,006,665</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 ¥43 million and the aggregate expenses amounts to ¥55 million.

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

Calls and premiums written	¥19,864	Million
Reinsurance premiums ceded	¥4,888	Million
Net premiums written	¥14,975	Million

Supplementary Calls for 2019 Policy Year (40%, ¥4,311 Million) are included in the above ¥19,864 Million.

② Net claims paid consist of the following;

Claims paid	¥23,326	Million
Reinsurance claims recovered	¥10,083	Million
Net claims paid	¥13,242	Million

③ The provision for outstanding claims amounts to ¥86 million after the deduction of the provision for ceded reinsurance in the amount of ¥14,549 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 ¥1,585 million.

⑤ Interest and dividends consist of the following;

Interest on deposits & savings	¥17	Million
Interest on securities	¥692	Million
Total	¥709	Million

⑥ "Valuation loss of ¥1,975 million is included in "Gains 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	0.05%
Tax on per capita basis	0.04%
Others	△0.03%
Actual effective tax rate	27.98%

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

Provision for ordinary underwriting reserve	¥218	Million
Reversal of catastrophe reserve	¥1,804	Million
Total	¥1,585	Million

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