

# Income and Expenditure Account

(for the year ended 31 March 2013)

(Unit : JPY)

Accounts	Amount
<b>Ordinary income and expenses</b>	
<b>Ordinary income</b>	<b>22,466,376,159</b>
<b>Underwriting income</b>	<b>18,989,806,006</b>
Net premiums written	18,818,062,791
Exchange gains	14,245,642
Other underwriting profits	157,497,573
<b>Investment income</b>	<b>3,355,145,159</b>
Interest and dividends	596,322,984
Gain from money held in trust	199,247,942
Profit on sales of securities	87,418,668
Exchange gains	2,472,155,565
<b>Other ordinary profit</b>	<b>121,424,994</b>
Reversal of reserve for bad debts	68,590,751
Reversal of reserve for bonus	16,999,690
Other ordinary profit	35,834,553
<b>Ordinary expenses</b>	<b>22,155,887,549</b>
<b>Underwriting expenses</b>	<b>19,090,734,432</b>
Net claims paid	14,019,722,406
Provision for outstanding claims	2,523,016,532
Provision for underwriting reserve	2,547,995,494
<b>Investment expenses</b>	<b>8,665,189</b>
Loss on sales of securities	8,665,189
<b>Operating expenses</b>	<b>2,226,025,822</b>
<b>Other ordinary expenses</b>	<b>830,462,106</b>
Tax	11,932,956
Depreciation	54,567,702
Provision for retirement benefit	43,274,398
Provision for directors' retirement benefit	36,466,667
Provision for losses of reinsurance	556,206,264
Other ordinary expenses	128,014,119
<b>Ordinary surplus</b>	<b>310,488,610</b>
<b>Special loss</b>	<b>2,921,719</b>
Loss on disposal of fixed assets	221,719
Other special losses	2,700,000
<b>Surplus before income taxes</b>	<b>307,566,891</b>
<b>Current income taxes</b>	387,305,940
<b>Deferred income taxes</b>	△285,005,016
<b>Total income taxes</b>	<b>102,300,924</b>
<b>Surplus after income taxes</b>	<b>205,265,967</b>

(Notes)

(1) For foreign currency bonds, the Association charges 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 ¥24 million and the aggregate expenses amounts to ¥32million.

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

Calls and premiums written	¥23,007	Million
Reinsurance premiums ceded	¥4,189	Million
Net premiums written	¥18,818	Million

② Net claims paid consist of the following;

Claims paid	¥18,825	Million
Reinsurance claims recovered	¥4,805	Million
Net claims paid	¥14,019	Million

③ The provision for outstanding claims amounts to ¥2,523 million after the deduction of the reversal of ceded reinsurance in the amount of ¥1,229 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 ¥2,547 million.

⑤ Interest and dividends consist of the following;

Interest on deposits & savings	¥24	Million
Interest on securities	¥571	Million
Total	¥596	Million

⑥ Valuation gain of ¥198 million is included in "Gains from money held in trust".

(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	29.70%
Entertainment and	
other expenses not deductible for tax purposes	2.42%
<u>Taxation on per capita basis</u>	<u>1.14%</u>
Actual effective tax rate	33.26%

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

Provision for ordinary underwriting reserve	¥1,982	Million
Provision for catastrophe reserve	¥565	Million
Total	¥2,547	Million

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