

**Capital Insurance Corporation
Company Profile / Financial Information 2022**

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Company Profile

(As of July 1, 2022)

Founded	June 1994
Capital	6.2 billion yen
Total Assets	19.5 billion yen (As of March31, 2022)
Head Office	1-8-10,Kudan-kita, Chiyoda-ku, Tokyo, Japan
Directors and Officers*1	
Representative Director and President	Mr. Tomoya Sakaguchi
Director	Mr. Hideki Ichii
Director	Mr. Toshihiko Kataoka
Director (Non-executive)	Mr. Masayoshi Miyake
Corporate Auditor (Full time)	Mr. Masao Nishida
Corporate Auditor (Part time)	Mr. Masashi Takeda
Corporate Auditor (Part time)	Mr. Kazuhiro Sumikama
Number of Employees	91
Number of Agents	168 (As of March31, 2022)
Shareholders	Mitsubishi H C Capital Inc. (79.4%) Sompo Japan Insurance Inc. (20.6%)
Rating*1	
Standard and Poor's (Insurer Financial Strength Rating)	A- *2
Japan Credit Rating Agency (Ability to Pay Insurance Claims Rating)	AA*3

*1 As of April 1, 2021

*2 We receive explicit support from the parent company, Mitsubishi HC Capital Inc., in the form of the unconditional guarantee on the execution of payment obligations to insurance beneficiary in accordance with the provisions of our insurance policies.

Reflecting the above, we have acquired A- rating from Standard and Poor's.

*3 Guarantee byMitsubishi HC Capital Inc.

Company History

June 1994: Established as Unum Japan Accident Insurance Co. Ltd.

January 2004: Purchased by Hitachi Capital(renamed Mitsubishi H C Capital), renamed Hitachi Capital Insurance Corporation.

Financial Highlights

Fiscal year ended March 31, 2022 (April 1, 2021 to March 31, 2022)

Net premiums written	5,131 million yen	A decrease of 4.6% from the previous year
Net loss ratio	35.3 %	A increase of 3.6 percentage points from the previous year
Net expense ratio	50.4 %	A increase of 4.6 percentage points from the previous year
Underwriting profit	467 million yen	A increase of 476 million yen from the previous year
Ordinary income	502 million yen	A increase of 478 million yen from the previous year
Net income	353 million yen	A increase of 345 million yen from the previous year
Solvency margin ratio *	2,304.6 %	A decrease of 56.0percentage points from the previous year
Total assets	19,503 million yen	An increase of 868 million yen from the previous year
Net assets	7,276 million yen	An increase of 338 million yen from the previous year
Net unrealized gains on securities	△35 million yen	An decrease of 14 million yen from the previous year

* Solvency Margin Ratio is the ratio of “solvency margin of insurance companies by means of their capital, reserves, etc.” to “risks which will exceed their normal estimates” , i.e. occurrence of major catastrophes and big decline in value of assets held by insurance companies , and is one of the indicators to monitor financial soundness of insurance companies.

Balance Sheet

in millions of yen

Item	Year	FY2020 (As of March 31, 2021)	FY2021 (As of March 31, 2022)	% Increase (Decrease)
(Assets)				
Cash and deposits		8,940	6,204	△30.6
Deposits		8,940	6,204	
Securities		7,877	11,332	43.9
Government bonds			1,982	
Municipal bonds				
Corporate bonds		7,877	9,350	
Loans		181	181	0.1
Ordinary loans		181	181	
Tangible fixed assets		48	43	△11.5
Buildings		15	13	
preliminary Building Account		—	7	
Other tangible fixed assets		32	21	
Intangible fixed assets		9	13	50.0
Software		9	13	
Software in progress		—		
Other intangible fixed assets		0	0	
Other assets		524	463	△11.6
Premiums receivable		99	96	
Agent accounts receivable		202	172	
Coinsurance accounts receivable		14	17	
Reinsurance accounts receivable		11	6	
Foreign reinsurance accounts receivable		27	18	
Other accounts receivable		3	4	
Income taxes receivable		—	—	
Accrued income		8	8	
Cash segregated as deposits		94	94	
Suspense payments		63	45	
Prepaid pension costs		95	87	△7.6
Deferred tax assets		960	1,177	22.6
Allowance for doubtful accounts		(1)	0	—
Total assets		18,635	19,503	4.7

Balance Sheet

in millions of yen

Item	Year	FY2020 (As of March 31, 2021)	FY2021 (As of March 31, 2022)	% Increase (Decrease)
(Liabilities)				
Insurance liabilities reserve		10,884	11,152	2.5
Outstanding claims reserve		5,988	6,339	
Underwriting reserve		4,895	4,812	
Other liabilities		640	860	34.3
Coinsurance accounts payable		41	46	
Reinsurance accounts payable		20	21	
Foreign reinsurance accounts payable		82	64	
Income taxes payable		36	361	
Other accounts payable		173	128	
Suspense receipts		285	237	
Provision for retirement benefits		99	100	0.6
Reserve for bonus payments		62	102	64.1
Allowance for system losses		—	—	
Reserves under the special laws		11	12	13.1
Reserve for price fluctuations		11	12	
Total liabilities		11,698	12,227	4.5
(Net assets)				
Capital		6,200	6,200	0.0
Capital surplus		1,600	1,600	0.0
Capital reserve		1,600	1,600	
Retained earnings		(842)	(488)	—
Other retained earnings		(842)	(488)	
Retained earnings carried forward		(842)	(488)	
Total shareholders' equity		6,957	7,311	5.1
Net unrealized gains on securities		(20)	(35)	
Total valuation and translation adjustments		(20)	(35)	—
Total net assets		6,937	7,276	4.9
Total liabilities and net assets		18,635	1,9503	4.7

Income Statement

in millions of yen

Year		FY2020	FY2021	% Increase
Item		(From April 1, 2020 to March 31, 2021)	(From April 1, 2021 to March 31, 2022)	(Decrease)
Ordinary income and expenses	Ordinary income	5,419	5,253	△3.1
	Underwriting income	5,380	5,214	△3.1
	Net premiums written	5,380	5,131	
	Reversal of outstanding claims reserve	—	82	
	Investment income	15	14	△3.1
	Interest and dividend income	15	14	
	Other ordinary income	23	23	0.4
	Reversal of reserve for doubtful accounts	—	0	
	Other ordinary income	23	23	
	Ordinary expenses	5,396	4,750	△12.0
	Underwriting expenses	4,111	3,400	△17.3
	Net claims paid	1,558	1,669	
	Loss adjustment expenses	147	142	
	Agency commissions and brokerage	1,186	1,237	
	Payment reserve provision	595	350	
	Provision for underwriting reserves	622	—	
	Investment expenses	—	0	100.0
	Operating, general, and administrative expenses	1,282	1,349	5.3
	Other ordinary expenses	2	0	△100.0
	Provision of allowance for doubtful accounts	1	—	
Other ordinary expenses	1	0		
	Ordinary profit	23	502	2,061.6
Extraordinary gains and losses	Extraordinary gains	—	—	—
	Other extraordinary gains	—	—	
	Extraordinary losses	1	1	△7.2
	Losses on disposal of fixed assets	—	—	
	Impairment losses	—	—	
	Provision for reserve for price fluctuations	1	1	
	Other extraordinary losses	—	—	
	Income before income taxes	21	500	2,212.6
	Corporate income taxes and other taxes	22	358	1,476.1
	Deferred income taxes	(9)	(211)	2,251.3
	Total income taxes	13	147	968.8
	Net income	7	353	4,378.5

Cash Flow Statement

in millions of yen

Item	Year	FY2020 (From April 1, 2020 to March 31, 2021)	FY2021 (From April 1, 2021 to March 31, 2022)
Cash flows from operating activities			
Pretax current net income (loss)		21	500
Depreciation and amortization		15	17
Impairment losses		—	—
Increase (decrease) in outstanding claims reserve		595	350
Increase (decrease) in underwriting reserve		622	(82)
Increase (decrease) in allowance for doubtful accounts		1	(1)
Increase (decrease) in provision for retirement benefits		1	0
Increase (decrease) in reserve for bonus payments		(11)	40
Increase (decrease) in allowance for system losses		—	—
Increase (decrease) in reserve for price fluctuations		1	1
Interest and dividend income		(15)	(14)
Losses(gains) related to tangible fixed assets		0	—
Decrease (increase) in other assets (excluding investing and financing activities)		(80)	(142)
Increase (decrease) in other liabilities (excluding investing and financing activities)		169	135
Other		0	0
Subtotal		1,324	805
Interest and dividends received		32	41
Income taxes paid		20	(62)
Total cash flows from operating activities		1,377	783
Cash flows from investing activities			
Net decrease (increase) in deposits		—	—
Expenditures for acquisition of securities		(2,595)	(4,703)
Proceeds from sales and redemption of securities		900	1,200
Loan expenditure		—	—
Total investing activities		(1,695)	(3,502)
Total operating and investing activities		(317)	(2,719)
Expenditures for acquisition of tangible fixed assets		(10)	(7)
Other		—	(9)
Total cash flows from investing activities		(1,705)	(3,519)
Cash flows from financing activities			
Total cash flows from financing activities		—	—
Effect of exchange rate changes on cash and cash equivalents		—	—
Increase (decrease) in cash and cash equivalents		(328)	(2,736)
Cash and cash equivalents: Beginning balance		9,268	8,940
Cash and cash equivalents: Ending balance		8,940	6,204

Capital Insurance Corporation

Sumitomo Fudosan Kudan Building 11F
1-8-10, Kudankita , Chiyoda-ku, Tokyo, 102-0073 Japan Tel: +81-3-5276-1391 Fax: +81-3-5276-0098