

**Capital Insurance Corporation  
Company Profile / Financial Information 2021**

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# Company Profile

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(As of July 1, 2021)

Founded	June 1994
Capital	6.2 billion yen
Total Assets	17.2 billion yen (As of March31, 2020)
Head Office	1-8-10,Kudan-kita, Chiyoda-ku, Tokyo, Japan
Directors and Officers*1	
Representative Director and President	Mr. Keijiro Yodo
Director	Mr. Hideki Ichii
Director	Mr. Toshihiko Kataoka
Director (Non-executive)	Mr. Masayoshi Miyake
Corporate Auditor (Full time)	Mr. Fumio Kuboyama
Corporate Auditor (Part time)	Mr. Masashi Takeda
Corporate Auditor (Part time)	Mr. Kazuhiro Sumikama
Number of Employees	91 (As of April 1, 2021)
Number of Agents	166 (As of March31, 2021)
Shareholders	Mitsubishi HC 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 HC Capital ), renamed Hitachi Capital Insurance Corporation.

# Financial Highlights

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Fiscal year ended March 31, 2021 (April 1, 2020 to March 31, 2021)

Net premiums written	5,380 million yen	An increase of 10.2% from the previous year
Net loss ratio	31.7 %	Stayed flat from the previous year
Net expense ratio	45.8 %	A decrease of 4.4 percentage points from the previous year
Underwriting profit	△9 million yen	An increase of 130 million yen from the previous year
Ordinary income	23 million yen	An increase of 127 million yen from the previous year
Net income	7 million yen	An increase of 73 million yen from the previous year
Solvency margin ratio *	2,360.6 %	A decrease of 167.0percentage points from the previous year
Total assets	18,635 million yen	An increase of 1,369 million yen from the previous year
Net assets	6,937 million yen	An decrease of 4 million yen from the previous year
Net unrealized gains on securities	△20 million yen	An decrease of 12 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	FY2019 (As of March 31, 2020)	FY2020 (As of March 31, 2021)	% Increase (Decrease)
<b>(Assets)</b>				
Cash and deposits		9,268	8,940	△3.5
Deposits		9,268	8,940	
Securities		6,221	7,877	26.6
Government bonds				
Municipal bonds				
Corporate bonds		6,221	7,877	
Loans		181	181	0.0
Ordinary loans		181	181	
Tangible fixed assets		50	48	△4.0
Buildings		18	15	
Other tangible fixed assets		32	32	
Intangible fixed assets		12	9	△27.4
Software		12	9	
Software in progress		-	-	
Other intangible fixed assets		0	0	
Other assets		479	524	9.5
Premiums receivable		99	99	
Agent accounts receivable		147	202	
Coinsurance accounts receivable		8	14	
Reinsurance accounts receivable		17	11	
Foreign reinsurance accounts receivable		7	27	
Other accounts receivable		2	3	
Income taxes receivable		39	—	
Accrued income		4	8	
Cash segregated as deposits		93	94	
Suspense payments		60	63	
Prepaid pension costs		105	95	△9.8
Deferred tax assets		946	960	1.5
Allowance for doubtful accounts			(1)	
<b>Total assets</b>		<b>17,265</b>	<b>18,635</b>	<b>7.9</b>

# Balance Sheet

in millions of yen

Item	Year	FY2019 (As of March 31, 2020)	FY2020 (As of March 31, 2021)	% Increase (Decrease)
<b>(Liabilities)</b>				
Insurance liabilities reserve		9,665	10,884	12.6
Outstanding claims reserve		5,393	5,988	
Underwriting reserve		4,272	4,895	
Other liabilities		476	640	34.3
Coinsurance accounts payable		61	41	
Reinsurance accounts payable		18	20	
Foreign reinsurance accounts payable		4	82	
Income taxes payable		16	36	
Other accounts payable		148	173	
Suspense receipts		227	285	
Provision for retirement benefits		97	99	2.0
Reserve for bonus payments		74	62	△15.6
Allowance for system losses		—	—	
Reserves under the special laws		9	11	16.5
Reserve for price fluctuations		9	11	
<b>Total liabilities</b>		<b>10,323</b>	<b>11,698</b>	<b>13.3</b>
<b>(Net assets)</b>				
Capital		6,200	6,200	0.0
Capital surplus		1,600	1,600	0.0
Capital reserve		1,600	1,600	
Retained earnings		(849)	(842)	—
Other retained earnings		(849)	(842)	
Retained earnings carried forward		(849)	(842)	
Total shareholders' equity		6,950	6,957	0.1
Net unrealized gains on securities		(8)	(20)	
Total valuation and translation adjustments		(8)	(20)	—
<b>Total net assets</b>		<b>6,941</b>	<b>6,937</b>	<b>△0.1</b>
<b>Total liabilities and net assets</b>		<b>17,265</b>	<b>18,635</b>	<b>7.9</b>

# Income Statement

in millions of yen

Year		FY2019	FY2020	% Increase
Item		(From April 1, 2019 to March 31, 2020)	(From April 1, 2020 to March 31, 2021)	(Decrease)
Ordinary income and expenses	Ordinary income	4,923	5,419	10.1
	Underwriting income	4,884	5,380	10.2
	Net premiums written	4,884	5,380	
	Reversal of outstanding claims reserve	-	-	
	Investment income	16	15	△9.0
	Interest and dividend income	16	15	
	Other ordinary income	22	23	4.3
	Reversal of reserve for doubtful accounts	-	-	
	Other ordinary income	22	23	
	Ordinary expenses	5,027	5,396	7.3
	Underwriting expenses	3,645	4,111	12.8
	Net claims paid	1,410	1,558	
	Loss adjustment expenses	137	147	
	Agency commissions and brokerage	1,073	1,186	
	Payment reserve provision	677	595	
	Provision for underwriting reserves	346	622	
	Investment expenses	-	-	-
	Operating, general, and administrative expenses	1,381	1,282	△7.2
	Other ordinary expenses	0	2	8,860,445.5
	Provision of allowance for doubtful accounts	-	1	
Other ordinary expenses	0	1		
	Ordinary profit	(103)	23	-
Extraordinary gains and losses	Extraordinary gains	25	-	△100.0
	Other extraordinary gains	25	-	
	Extraordinary losses	2	1	△36.0
	Losses on disposal of fixed assets	-	-	
	Impairment losses	-	-	
	Provision for reserve for price fluctuations	1	1	
	Other extraordinary losses	1	-	
Income before income taxes		(81)	21	-
Corporate income taxes and other taxes		3	22	
Deferred income taxes		(19)	(9)	
Total income taxes		(16)	13	-
Net income		(65)	7	7

# Cash Flow Statement

in millions of yen

Item	Year	FY2019 (From April 1, 2019 to March 31, 2020)	FY2020 (From April 1, 2020 to March 31, 2021)
<b>Cash flows from operating activities</b>			
Pretax current net income (loss)		(81)	21
Depreciation and amortization		16	15
Impairment losses		-	-
Increase (decrease) in outstanding claims reserve		677	595
Increase (decrease) in underwriting reserve		346	622
Increase (decrease) in allowance for doubtful accounts		-	1
Increase (decrease) in provision for retirement benefits		9	1
Increase (decrease) in reserve for bonus payments		(9)	(11)
Increase (decrease) in allowance for system losses		(150)	-
Increase (decrease) in reserve for price fluctuations		1	1
Interest and dividend income		(16)	(15)
Losses(gains) related to tangible fixed assets		-	0
Decrease (increase) in other assets (excluding investing and financing activities)		(72)	(80)
Increase (decrease) in other liabilities (excluding investing and financing activities)		51	169
Other		(5)	0
Subtotal		767	1,324
Interest and dividends received		32	32
Income taxes paid		(44)	20
<b>Total cash flows from operating activities</b>		<b>755</b>	<b>1,377</b>
<b>Cash flows from investing activities</b>			
Net decrease (increase) in deposits		1,000	-
Expenditures for acquisition of securities		(600)	(2,595)
Proceeds from sales and redemption of securities		-	900
Loan expenditure		(0)	-
<b>Total investing activities</b>		<b>394</b>	<b>(1,695)</b>
<b>Total operating and investing activities</b>		<b>1,154</b>	<b>(317)</b>
Expenditures for acquisition of tangible fixed assets		(2)	(10)
Other		(1)	-
<b>Total cash flows from investing activities</b>		<b>394</b>	<b>(1,705)</b>
<b>Cash flows from financing activities</b>			
<b>Total cash flows from financing activities</b>		<b>-</b>	<b>-</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>			<b>-</b>
<b>Increase (decrease) in cash and cash equivalents</b>		<b>1,150</b>	<b>(328)</b>
Cash and cash equivalents: Beginning balance		8,117	9,268
Cash and cash equivalents: Ending balance		9,268	8,940



# Capital Insurance Corporation

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