

**ECONOMICAL ENVIRONMENT**

In the consolidated accounting period ended March 31, 2001, the Japanese economy followed a gradual recovery trend, supported by the benefits of corporate restructuring and the buoyant performance of the U.S. economy. However, the economy ended the year on a decelerating trend. This reflects a sharper than expected slowdown in the U.S. economy, falling Japanese share prices, and slumps in corporate equipment investment and consumer spending.

The non-life insurance business had to cope not only with economic stagnation, but also with escalating competition as a result of full-scale liberalization, including the expansion of coverage, falling premiums, influx of foreign non-life insurers and new entrants from other industries. Loss ratios also rose because of an upward trend in automobile thefts and the effects of natural disasters, including hail damage in Chiba Prefecture and localized downpour which caused flooding in the Tokai region. Non-life insurance companies sought to ensure their survival in this difficult business environment through major restructuring, including mergers across industry and group boundaries.

**BUSINESS RESULTS OF DAI-TOKYO FIRE & MARINE INSURANCE**

Net Premiums Written in the consolidated accounting period ended March 31, 2001, declined by ¥4,517 million, or 1.0%, compared with the previous year's result to ¥444,946 million. Net income amounted to ¥7,220 million, an increase of ¥526 million, or 7.9%, compared with the result for the previous accounting period.

**BUSINESS RESULTS OF CHIYODA FIRE & MARINE INSURANCE**

Net Premiums Written in the consolidated accounting year ended March 31, 2001, declined by ¥16,932 million, or 4.2%, compared with the previous year's result to ¥387,408 million. After adjustment for extraordinary income and loss, income taxes, etc., there was a net loss of ¥6,364 million, a decline of ¥9,932 million from the previous year's net income figure.

**Consolidated Five Year-Summary**

Aioi Insurance Company, Limited (Formerly The Dai-Tokyo Fire and Marine Insurance Company, Limited) and Consolidated Subsidiaries Years Ended March 31

|                              | Millions of Yen |            |            |            |            | Thousands of U.S.Dollars |
|------------------------------|-----------------|------------|------------|------------|------------|--------------------------|
|                              | 2001            | 2000       | 1999       | 1998       | 1997       | 2001                     |
| Net Premiums Written         | ¥ 444,946       | ¥ 449,464  | ¥ 435,152  | ¥ 450,238  | ¥ 447,664  | \$ 3,591,176             |
| Interest and Dividend Income | 28,468          | 41,072     | 44,216     | 45,936     | 43,978     | 229,773                  |
| Net Income                   | 7,220           | 6,693      | 5,622      | 6,205      | 6,139      | 58,277                   |
| Total Assets                 | ¥1,677,181      | ¥1,547,262 | ¥1,587,610 | ¥1,569,589 | ¥1,546,299 | \$13,536,570             |

|                      | Yen    |        |        |        |        | U.S.Dollars |
|----------------------|--------|--------|--------|--------|--------|-------------|
| Net Income per Share | ¥17.73 | ¥16.44 | ¥13.80 | ¥15.24 | ¥15.07 | \$0.14      |

Note: Net premiums written include life insurance premiums.

**Non-Life Insurance**

| Net Premiums Written and Net Losses Paid in 2001 (Year Ended March 31) |                      |                 |                 |                 | millions of yen, % |
|--|----------------------|-----------------|-----------------|-----------------|--------------------|
| Class of Business  | Net Premiums Written | Component Ratio | Net Losses Paid | Component Ratio |                    |
| Fire and Allied Lines  | ¥ 46,190             | 10.98           | ¥ 20,661        | 8.44            |                    |
| Marine   | 810                  | 0.19            | 453             | 0.19            |                    |
| Personal Accident  | 31,786               | 7.56            | 13,665          | 5.58            |                    |
| Voluntary Automobile   | 268,047              | 63.73           | 164,634         | 67.29           |                    |
| Compulsory Automobile Liability  | 40,088               | 9.53            | 25,293          | 10.34           |                    |
| Other  | 33,664               | 8.01            | 19,968          | 8.16            |                    |
| Total  | ¥420,588             | 100.00          | ¥244,675        | 100.00          |                    |

| Net Premiums Written and Net Losses Paid in 2000 (Year Ended March 31) |                      |                 |                 |                 | millions of yen, % |
|--|----------------------|-----------------|-----------------|-----------------|--------------------|
| Class of Business  | Net Premiums Written | Component Ratio | Net Losses Paid | Component Ratio |                    |
| Fire and Allied Lines  | ¥ 52,975             | 12.42           | ¥ 21,388        | 9.02            |                    |
| Marine   | 1,000                | 0.23            | 1,186           | 0.50            |                    |
| Personal Accident  | 33,576               | 7.87            | 13,421          | 5.66            |                    |
| Voluntary Automobile   | 269,169              | 63.11           | 158,511         | 66.86           |                    |
| Compulsory Automobile Liability  | 40,217               | 9.43            | 24,373          | 10.28           |                    |
| Other  | 29,582               | 6.94            | 18,201          | 7.68            |                    |
| Total  | ¥426,521             | 100.00          | ¥237,083        | 100.00          |                    |

**Life Insurance**

| Life Insurance in Force (Years Ended March 31) |            |            | millions of yen |
|--|------------|------------|-----------------|
|  | 2001       | 2000       |                 |
| Individual Life Insurance                      | ¥1,563,658 | ¥1,299,861 |                 |
| Individual Annuity Insurance                   | 69,577     | 62,703     |                 |
| Group Life Insurance                           | 107,653    | 86,900     |                 |

| New Business (Years Ended March 31) |          |          | millions of yen |
|-------------------------------------|----------|----------|-----------------|
|                                     | 2001     | 2000     |                 |
| Individual Life Insurance           | ¥468,503 | ¥420,648 |                 |
| Individual Annuity Insurance        | 13,932   | 14,621   |                 |
| Group Life Insurance                | 25,734   | 20,051   |                 |

## Consolidated Five Year-Summary

Aioi Insurance Company, Limited (Formerly The Chiyoda Fire and Marine Insurance Company, Limited) and Consolidated Subsidiaries

Years Ended March 31

| Year ended March 31,         | Millions of Yen |            |            |            |            | Thousands of |
|------------------------------|-----------------|------------|------------|------------|------------|--------------|
|                              | 2001            | 2000       | 1999       | 1998       | 1997       | U.S. Dollars |
| Net Premiums Written         | ¥ 387,408       | ¥ 404,340  | ¥ 406,693  | ¥ 418,414  | ¥ 414,649  | \$ 3,126,783 |
| Interest and Dividend Income | 28,245          | 28,002     | 31,484     | 36,024     | 37,428     | 227,970      |
| Net Income (Loss)            | (6,364)         | 3,568      | 3,436      | 4,533      | 4,662      | (51,367)     |
| Total Assets                 | ¥1,394,148      | ¥1,361,295 | ¥1,351,833 | ¥1,330,279 | ¥1,325,379 | \$11,252,211 |

|                      | Yen      |       |       |        |        | U.S.Dollars |
|----------------------|----------|-------|-------|--------|--------|-------------|
| Net Income per Share | ¥(16.46) | ¥9.22 | ¥9.10 | ¥12.32 | ¥13.30 | \$ (0.133)  |

Note: Net premiums written include life insurance premiums.

## Non-Life Insurance

| Net Premiums Written and Net Losses Paid in 2001 (Year Ended March 31) |              |           |            |           | Millions of yen, % |
|--|--------------|-----------|------------|-----------|--------------------|
| Class of Business  | Net Premiums | Component | Net Losses | Component |                    |
|  | Written      | Ratio     | Paid       | Ratio     |                    |
| Fire and Allied Lines  | ¥ 50,819     | 13.69     | ¥ 27,263   | 11.79     |                    |
| Marine   | 4,765        | 1.28      | 3,090      | 1.34      |                    |
| Personal Accident  | 25,433       | 6.85      | 11,544     | 4.99      |                    |
| Voluntary Automobile   | 225,803      | 60.82     | 146,948    | 63.57     |                    |
| Compulsory Automobile Liability  | 41,067       | 11.06     | 25,352     | 10.97     |                    |
| Others   | 23,375       | 6.30      | 16,974     | 7.34      |                    |
| Total  | ¥371,265     | 100.00    | ¥231,173   | 100.00    |                    |

| Net Premiums Written and Net Losses Paid in 2000 (Year Ended March 31) |              |           |            |           | Millions of yen, % |
|--|--------------|-----------|------------|-----------|--------------------|
| Class of Business  | Net Premiums | Component | Net Losses | Component |                    |
|  | Written      | Ratio     | Paid       | Ratio     |                    |
| Fire and Allied Lines  | ¥ 64,854     | 16.58     | ¥ 27,227   | 12.44     |                    |
| Marine   | 4,816        | 1.23      | 3,211      | 1.47      |                    |
| Personal Accident  | 29,336       | 7.50      | 11,889     | 5.43      |                    |
| Voluntary Automobile   | 224,872      | 57.50     | 133,103    | 60.84     |                    |
| Compulsory Automobile Liability  | 40,580       | 10.38     | 24,684     | 11.28     |                    |
| Others   | 26,653       | 6.81      | 18,677     | 8.54      |                    |
| Total  | ¥391,113     | 100.00    | ¥218,793   | 100.00    |                    |

## Life Insurance

| Life Insurance in Force (Years Ended March 31) |          |          | Millions of yen |
|--|----------|----------|-----------------|
|  | 2001     | 2000     |                 |
| Individual Life Insurance                      | ¥884,497 | ¥761,627 |                 |
| Individual Annuity Insurance                   | 14,331   | 13,706   |                 |
| Group Life Insurance                           | 446,246  | 261,288  |                 |
| Group Annuity Insurance                        | 20       | —        |                 |

| New Business (Years Ended March 31) |          |          | Millions of yen |
|-------------------------------------|----------|----------|-----------------|
|                                     | 2001     | 2000     |                 |
| Individual Life Insurance           | ¥229,282 | ¥245,483 |                 |
| Individual Annuity Insurance        | 1,893    | 2,765    |                 |
| Group Life Insurance                | 68,375   | 128,695  |                 |
| Group Annuity Insurance             | 3        | —        |                 |