



Aioi Insurance Co., Ltd.

Company Presentation

2nd June 2006

Aioi Insurance Co., Ltd.

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I . FY2005 Earnings Summary

1. Earnings Overview

Note: Excludes the impact of abolition of the state CALI reinsurance scheme

(Unit: Billion yen, %)

	FY2004	FY2005	Change	+/- %
Direct Premiums Written	858.4	868.5	10.0	1.2
Net Premiums Written	760.9	768.9	8.0	1.1
Net Loss Ratio	65.2	61.2	△ 4.0P	Note: Net expense ratio includes loss adjusting costs
Net Expense Ratio	36.1	35.9	△ 0.2P	
Combined Ratio	101.3	97.1	△ 4.2P	
Underwriting Profit	△ 9.9	1.9	11.8	-
Asset Management Profit	38.0	28.4	△ 9.5	△ 25.2
Ordinary Profit	22.3	24.9	2.5	11.2
Net Profit	16.1	19.7	3.6	22.4
Solvency Margin Ratio	951.9	1,058.7	106.8P	
Dividend Per Share	¥8.00	¥10.00	¥2.00	

Direct Premium Written

- Highest since Aioi has been established
- Net premium written also increased

Underwriting Profit

- Net loss ratio improved by 4.0P due to decrease in losses incurred from major natural disasters
- Net expense ratio cut continually since Aioi has been established and improved to 35.9%
- U/W profit improved ¥11.8bn YoY, despite substantial additional transfer to the catastrophe reserve

Net Profit for the current term
¥19.7bn (22.4% up from FY2004)

Solvency Margin Ratio

Exceed 1,000% for the first time since Aioi has been established

Dividend per share

Increased our dividend by ¥2 per share, scheduled to ¥10

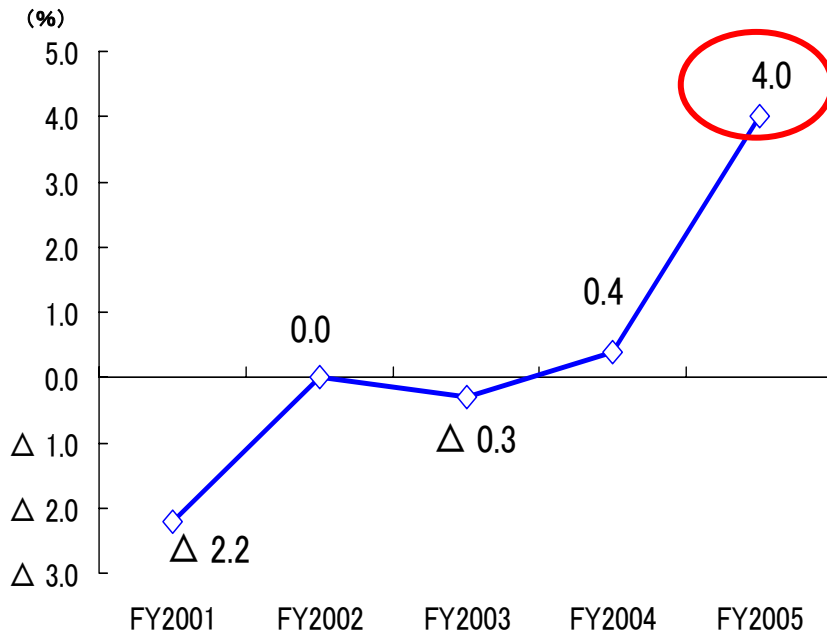
2. Operating Premiums

Note: Operating result basis

◆ 4.0% increase in FY2005, secures premium growth trend

◆ Top level of premium growth achieved among the sector

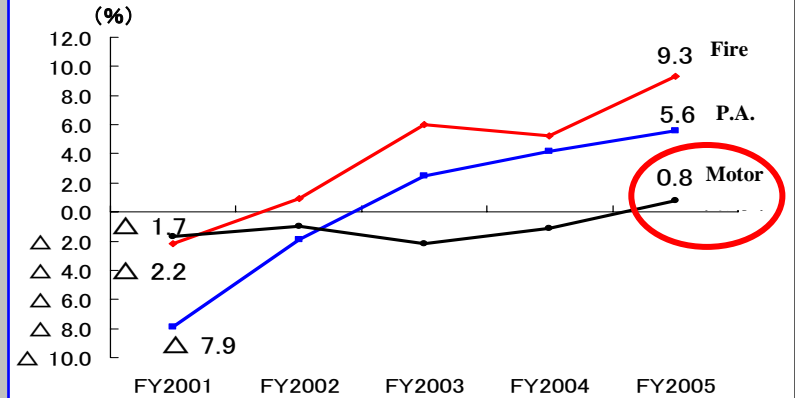
Operating premium growth of general classes



Increased in motor/fire/P.A. premium

First time increase in motor premium since Aioi has been established

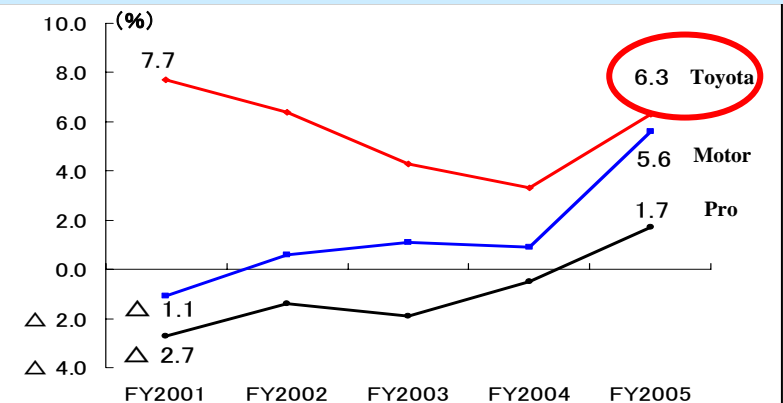
Operating premium growth by class



Strong premium growth maintained in Toyota channel

First time increase in Pro channel premium since Aioi has been established

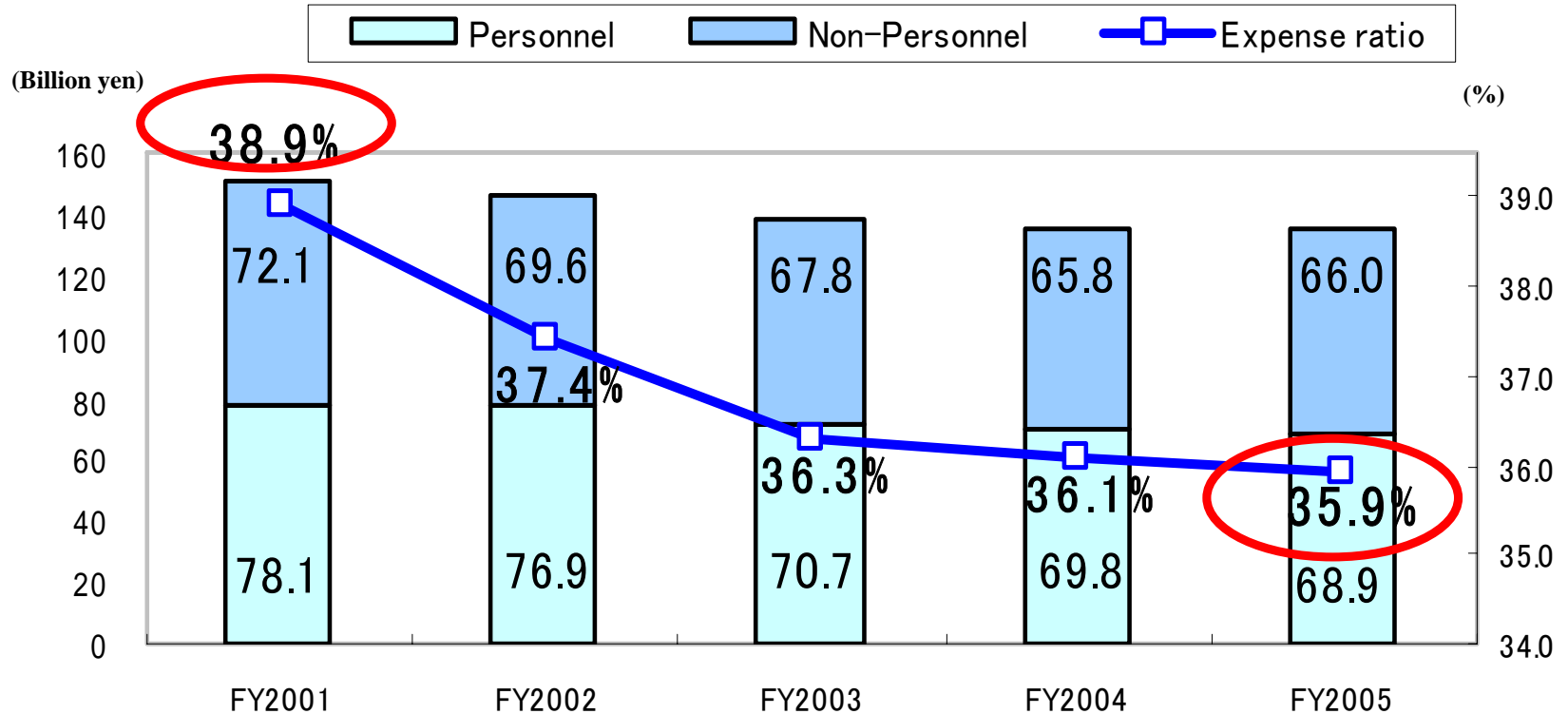
Operating premium growth by channel



3. Operating Expenses

Note: Excludes the impact of abolition of the state CALI reinsurance scheme

Ongoing efforts to cut operating expenses have resulted in 3P reduction to 35.9% from 38.9% when the company was established



Note: Non-personnel expenses include donations/burden charges/taxes

4. Measures Against Major Natural Disasters

◆ Underwriting reserve for catastrophe risks

Designed to cover losses arising from a 1-in-70-year occurrence of catastrophe event (windstorm/flood/earthquake)

Appropriate reinsurance coverage

- Reinsurance cover (approx. ¥130bn) reduces maximum loss from occurrence of a 1-in-70-year event to approx. ¥100bn

Increasing catastrophe reserve

- Reserve projected to reach approx. ¥100bn in the 5-year period from FY2005
- Additional ¥10.6bn transfer to reserve and annual transfer ratio increased to 8.0% from 5.8%
- Catastrophe reserve for fire insurance soared to ¥74.1bn at the end of FY2005

< Major natural disaster loss >

(Unit: Billion yen, %)

	FY2003	FY2004	FY2005
Gross loss (a)	2.0	53.7	4.5
Reinsurance recovery	0.4	17.8	0.1
Reinsurance recovery ratio	20.0	33.1	2.2
Net loss	1.6	35.9	4.4
Draw-down on catastrophe loss reserves	0.5	21.5	0.8
Impact on u/w profit (b)	1.1	14.4	3.6
b÷a	55.0	26.8	80.0

< Catastrophe reserve/reserving ratio >

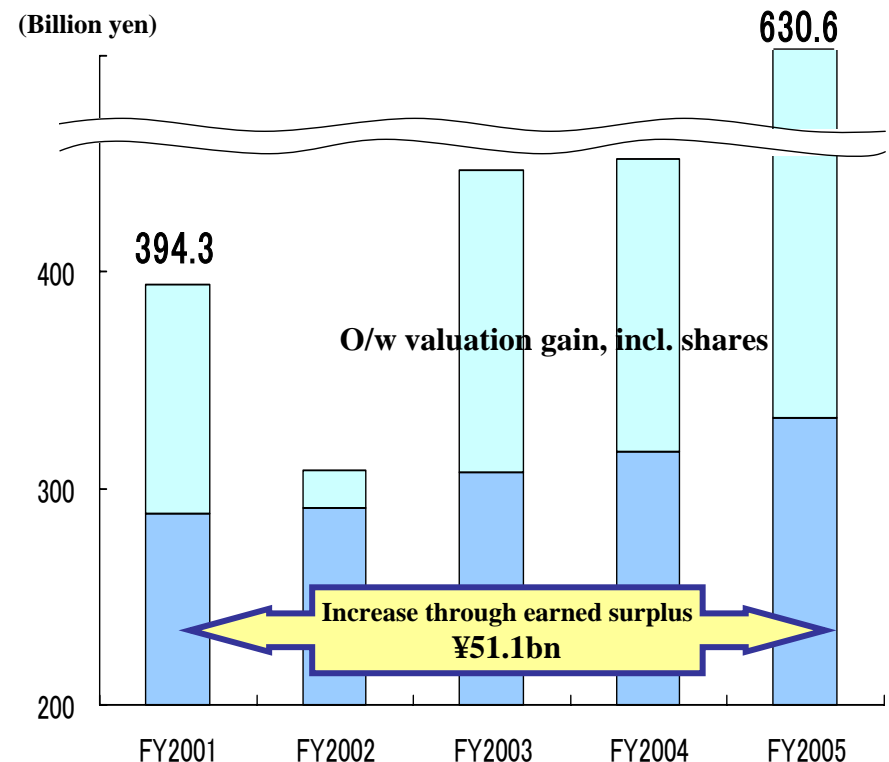
(Unit: Billion yen, %)

	FY2004		FY2005		
	Amount	Reserve ratio	Amount	Reserve ratio	Reserve ratio change
Fire	56.3	64.7	74.1	79.3	+14.6P
Marine	3.5	65.4	3.7	65.7	+0.3P
P.A.	28.4	57.7	29.8	60.7	+3.0P
Motor	89.3	19.4	97.1	20.9	+1.5P
Other	17.1	24.7	18.6	27.2	+2.5P
Total	194.8	29.0	223.5	32.8	+3.8P

5. Capital Enhancement (1)

Steadily restore and expand capital - which was severely impaired in FY2002 – through management efforts
 ¥51.1bn increase over FY2001 in capital through earned surplus which enhances quality of capital account

Capital Account		(Unit: Billion yen)			
	FY2001	FY2004	FY2005	Vs 2001 YoY	
Capital	100.0	100.0	100.0	0.0	
Capital surplus	44.0	44.0	44.0	0.0	
Earned surplus	144.9	182.2	196.0	51.1	
Sub-Total	289.0	326.3	340.1	51.1	
Stock and other valuation gain	105.7	134.6	298.2	192.4	
Own shares	0.3	8.9	7.7	7.3	
Total capital (a)	394.3	452.0	630.6	236.2	
<Reference>					
Price fluctuation reserve (b)	1.1	3.5	4.7	3.5	
Catastrophe loss reserve (c)	172.5	194.8	223.5	51.0	
Capital plus reserves (a+b+c)	568.0	650.3	858.9	290.8	



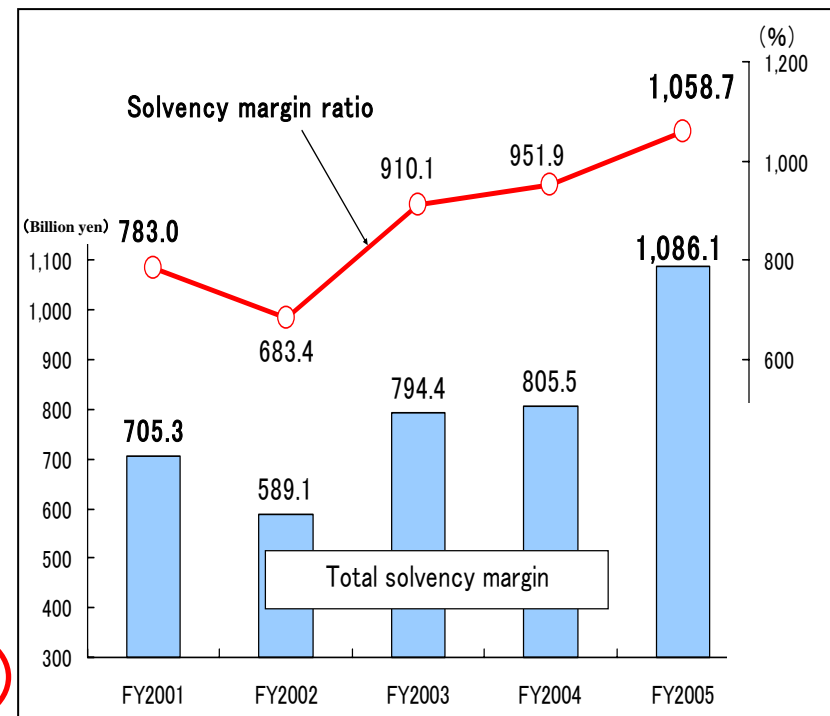
5. Capital Enhancement (2)

- ◆ Solvency margin exceeds 1,000% range for the first time since Aioi has been established
- ◆ Continuous expansion of capital base through management efforts to increase retained earnings and cat reserves

Solvency Margin Ratio

(Unit: Billion yen)

	FY2001	FY2004	FY2005	2001 YoY
(A) Total solvency margin	705.3	805.5	1,086.1	380.7
o/w total capital (excl. expected outflow, deferred assets & other valuation gain on securities)	283.3	311.5	325.0	41.7
o/w price fluctuation reserve	1.1	3.5	4.7	3.5
o/w catastrophe loss reserve (incl. EQ insurance risk reserve)	201.4	228.8	259.5	58.1
(B) Total risk	180.1	169.2	205.1	25.0
Solvency margin ratio ((A) / [(B) x 0.5] x 100)	783.0%	951.9%	1,058.7%	275.7P

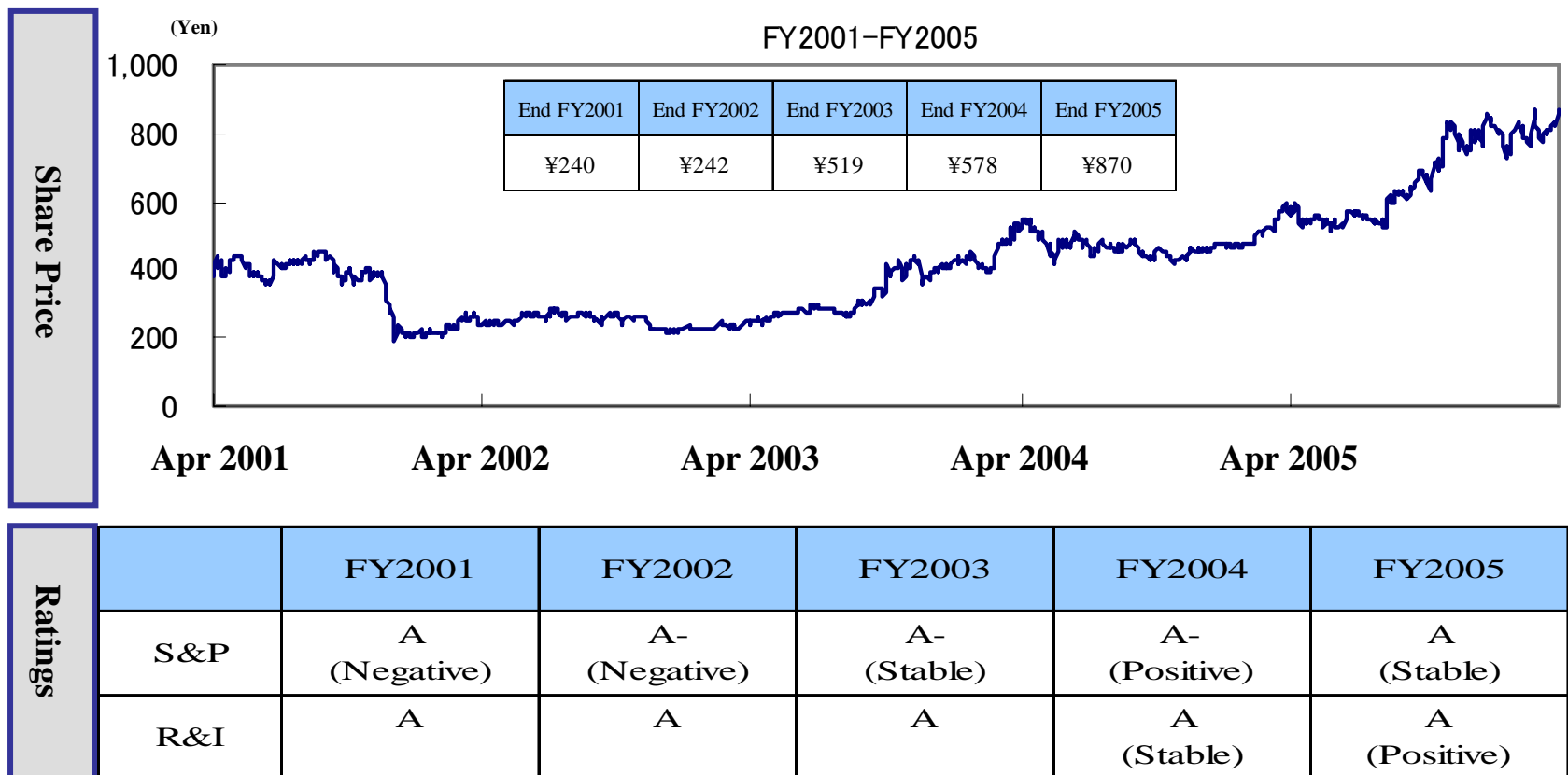


Note: Significant increase in windstorm and flood risk from FY2005 due to change in rules

6. Share Price & Ratings

Share price has soared and ratings have improved

Through the increase in the premium and profit, we aim for further improvement in the share price and ratings



II. Business Strategy

1. Motor Insurance (1)

Motor Market

Market size

- ◇ Number of vehicle ownership expected to continue slightly up

Market Trends

- ◇ Trend of long term vehicle holding is getting slow down to mitigate decreasing unit price
- ◇ Increasing luxury car sales
- ◇ Growth in number of 'Light vehicle (Mini car)'

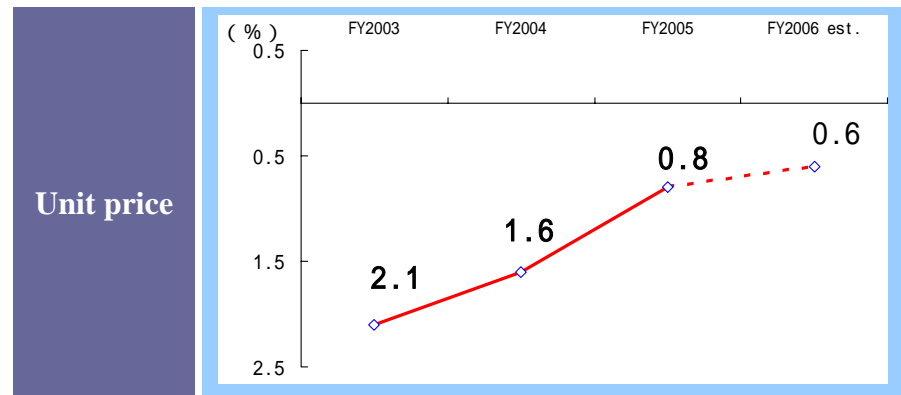
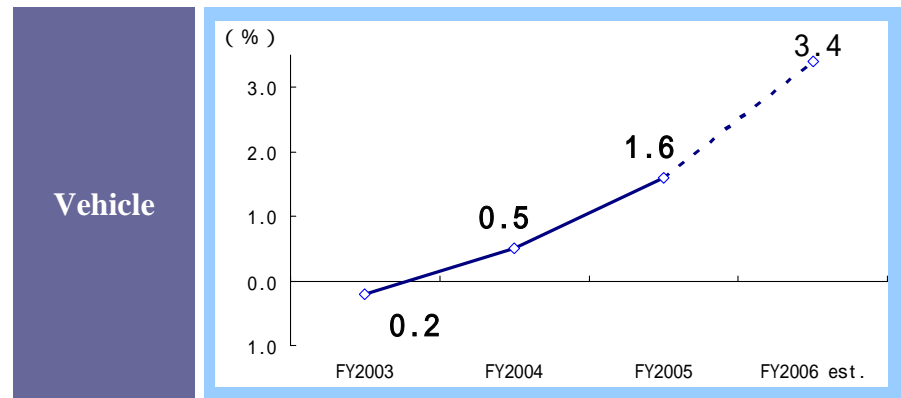
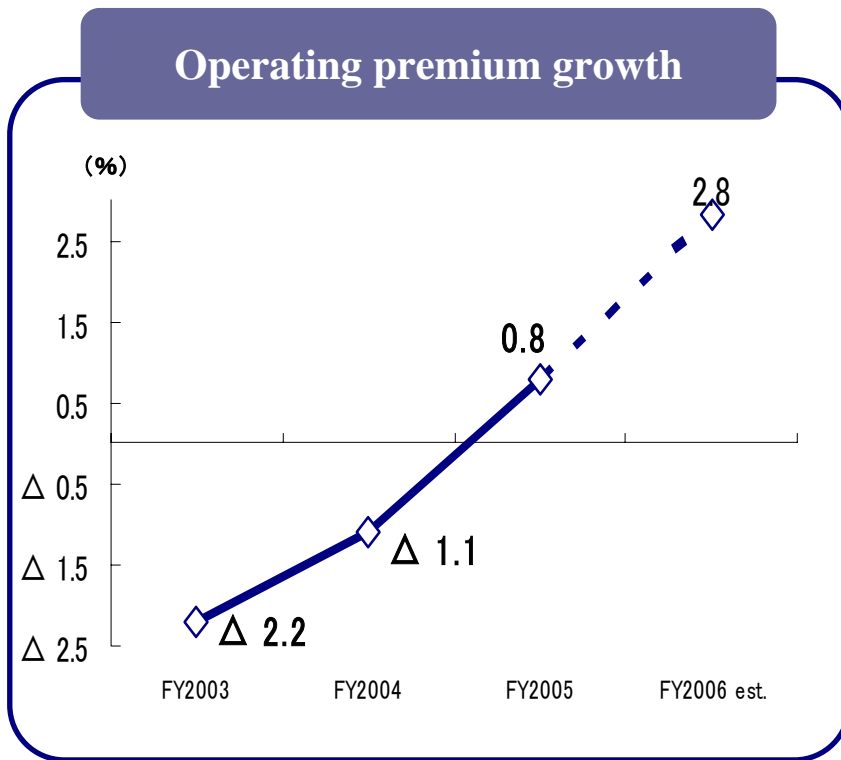
Aioi's strategy

- ◆ **Toyota market**
⇒ Increasing premium and boost market share in expanding Toyota market
- ◆ **Regional market**
⇒ Increase our market share through major regional companies and our Pro channels in each region
- ◆ **Continue to retain customers and raise unit prices**
⇒ Promoting switchover to "Top Run" more
- ◆ **Strengthen new business customers**
⇒ Enhance competitiveness in core areas
- ◆ **Strengthen profitability**
⇒ Ongoing loss improvement initiatives
⇒ Promote platform (=cross-sell) strategy

1. Motor Insurance (2)

Note: Operating result basis

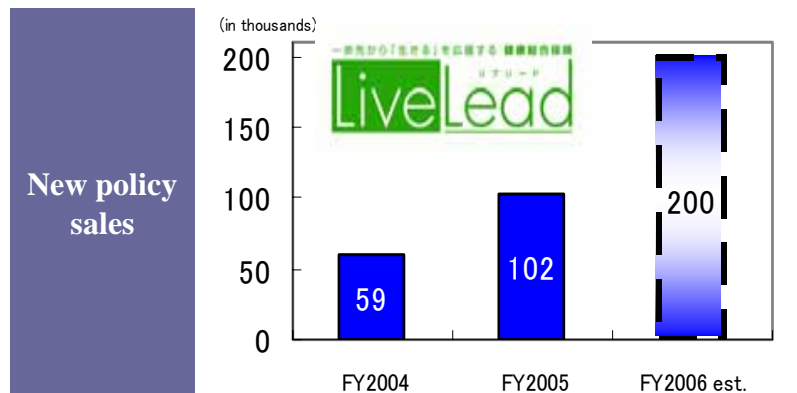
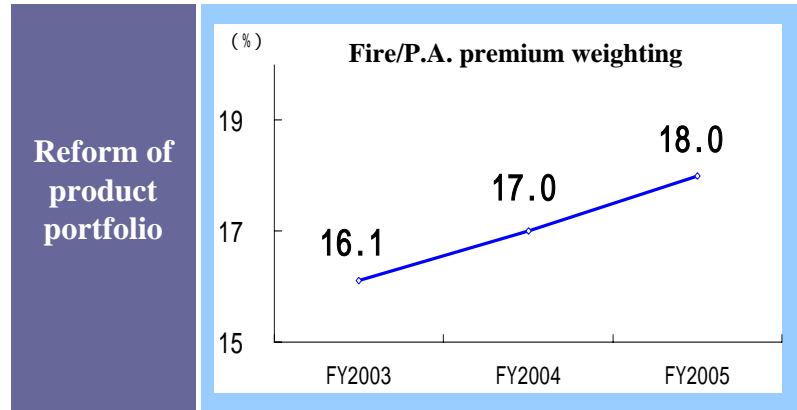
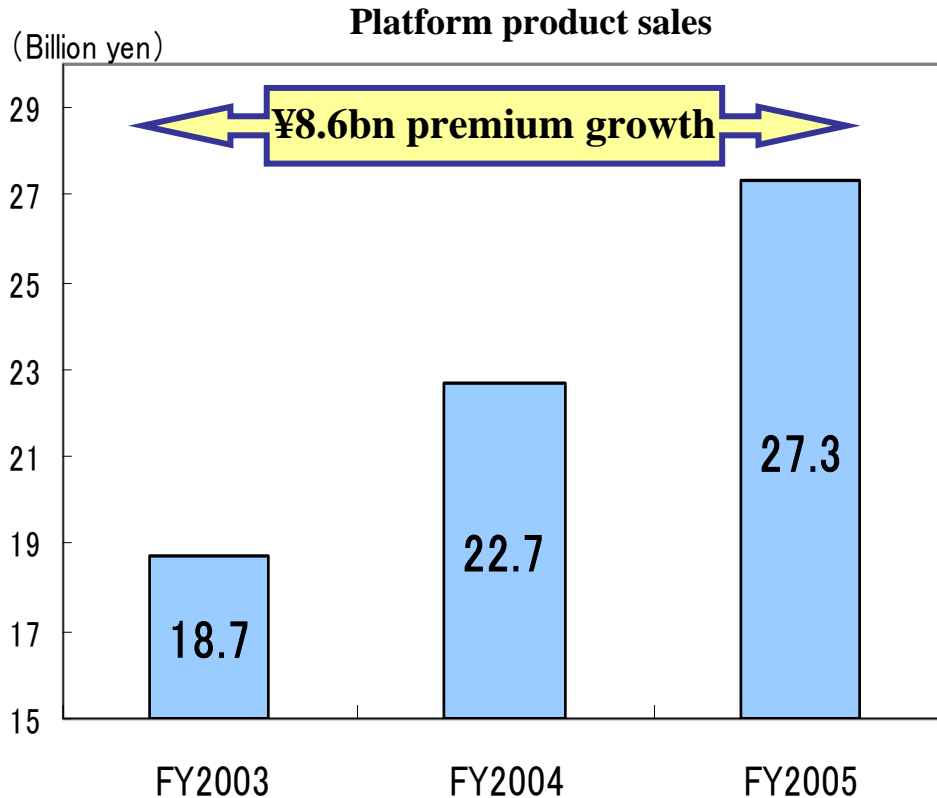
- ◆ Top level of premium growth in motor insurance (the biggest class in Aioi) among the sector
- ◆ Promotion of switchover to Top Run has improved policy of retention rates and halted the decline in policy unit prices
- ◆ Further expansion in contracted vehicle numbers, due to increased competitive edge in core areas



2. Platform Strategy

Note: Operating result basis

- ◆ Launch of products closely correlated to market needs has resulted in steady year-on-year increase in premium
- ◆ Product portfolio enhancement now firmly established through development of the platform strategy
- ◆ Cross-selling contributes to rise in motor policy retention rate



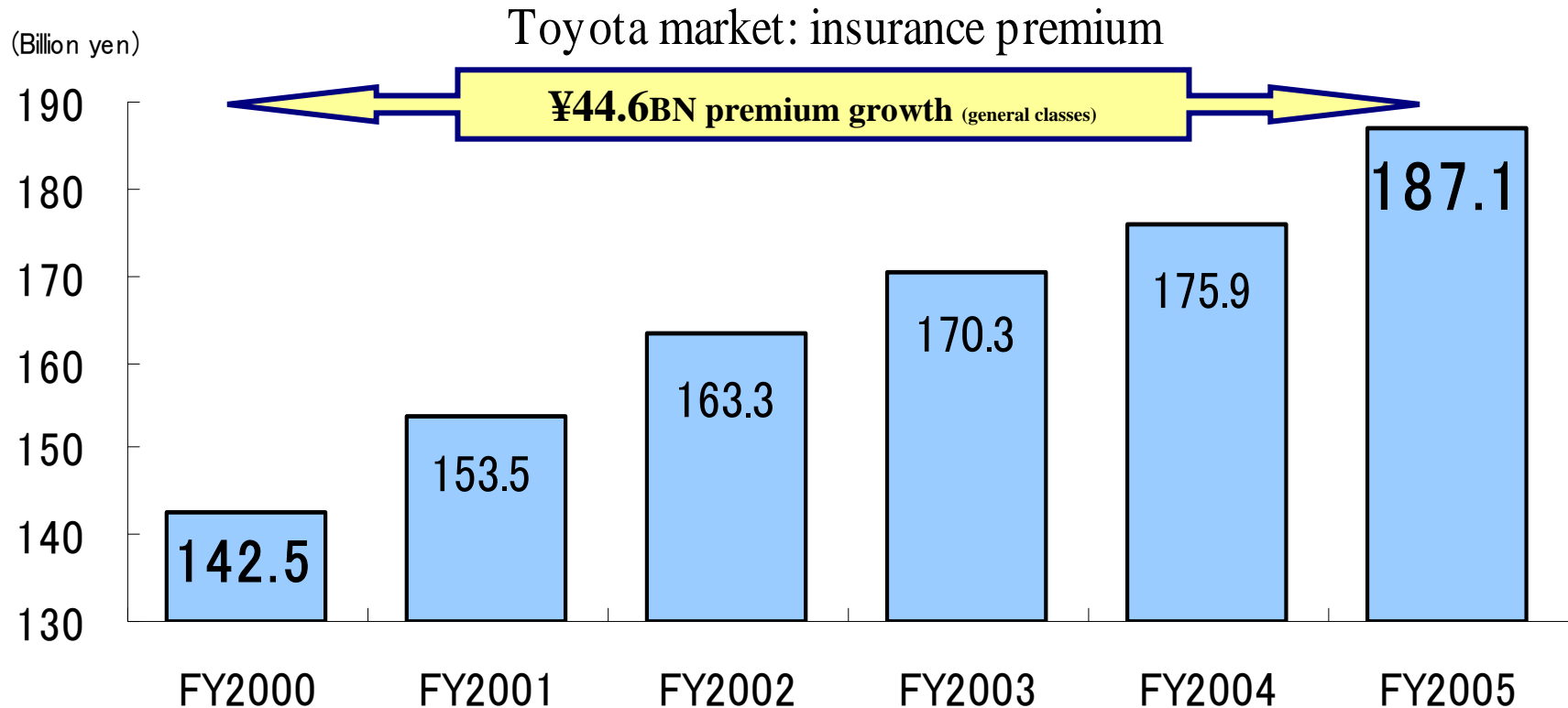
3. Toyota Market Strategy (1) Domestic ①

Note: Operating result basis

Achieved substantial premium growth through launch of various products closely correlated to market needs, maximizing strengths as a manufacturer-affiliated general insurer

Lexus dealer initiatives have been leveraged to develop the business, and a high level of premium growth has been maintained in the Toyota market

Know-how gained from Lexus dealers/Lexus owners enhances the service capability for various customers



3. Toyota Market Strategy (1) Domestic ②

Note: Operating result basis

**Aiming to be the No. 1 general insurer in the Toyota market,
with a top level of premium growth**

**Further strengthen ability to provide products
matched to market needs**

**Strengthen support measures to help dealers
boost insurance sales**

Develop products together with Toyota

	FY2004	FY2005		
	Premiums	Premiums	Increase	Increase %
Convini Plan	¥ 5.4bn	¥ 5.9bn	¥ 0.5bn	8.4%
Nagaraku Plan	¥ 1.9bn	¥ 2.3bn	¥ 0.4bn	21.3%
Lexus Owners' Motor Insurance Plan	-	¥ 0.5bn	¥ 0.5bn	-

Target for Lexus dealers: ¥2.0bn

(Motor Insurance)

Product

**Lexus Owners' Motor
Insurance Plan**

Sales
Support

**Support insurance sales
capability through insurance
business enhancement
activities**

Services

**Strengthen alliance with Lexus
Owners' Desk**

Support dealers to raise income from insurance

	FY2001	FY2002	FY2003	FY2004	FY2005
New partner dealers	98	80	96	73	206
Dealers where insurance business enhancement activities implemented*	12	20	15	11	12

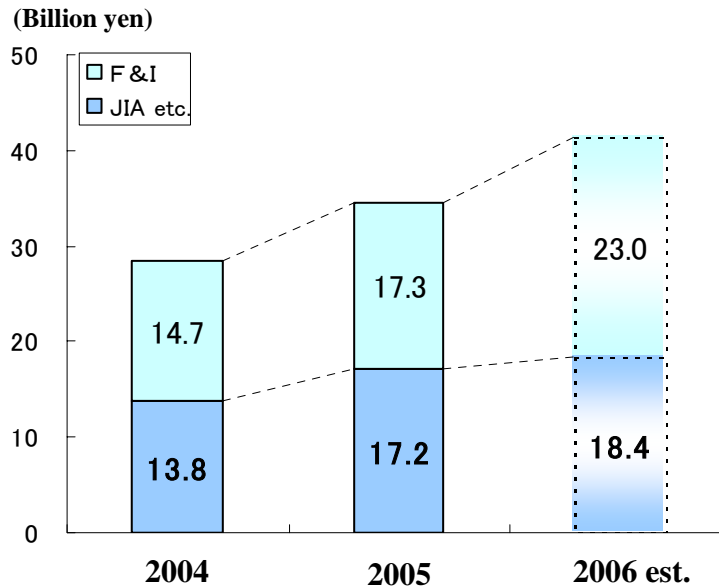
*2001 includes prior implementation

3. Toyota Market Strategy (2) Overseas

Aggressively develop overseas businesses

Strengthen/Promote F&I business allied with Toyota global strategy and a big increase in insurance sales
Increase scale and profitability in countries where Aioi already has a presence, and aggressively expand into new countries moving forward
Launched credit life business in Germany, expand F&I business, especially in developed countries

Direct premium income in overseas



Europe

Expand the F&I business to more countries (Italy, Denmark, Spain etc.)
Promote/strengthen F&I by consolidating the structure of Aioi Motor & General Insurance Co. of Europe
Expand scope of the F&I business through the establishment of 'Aioi Life Insurance of Europe AG' (Develop credit life insurance in the European region)

Asia

Strengthen F&I business through Aioi Bangkok Insurance, etc.

Expand the F&I business to more countries (Indonesia)

Australia

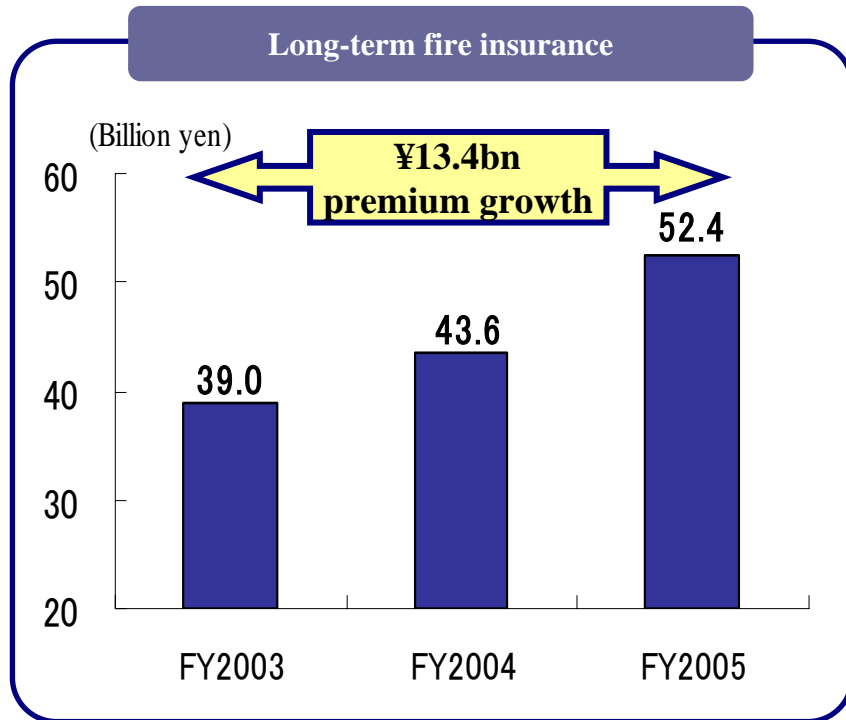
◆ Seek new business development to strengthen/expand the F&I business

◆ Consider developing credit life business

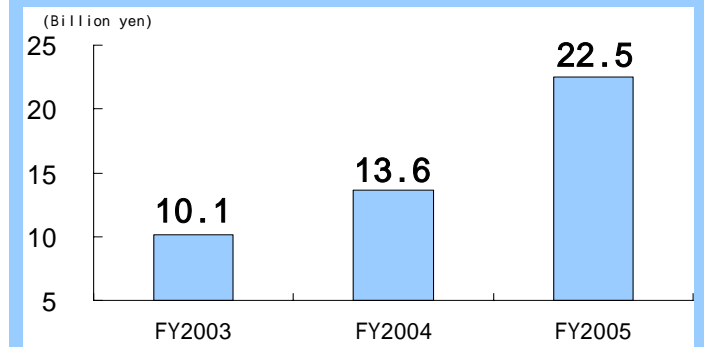
4. Long-Term Fire Market Strategy

Note: Operating result basis

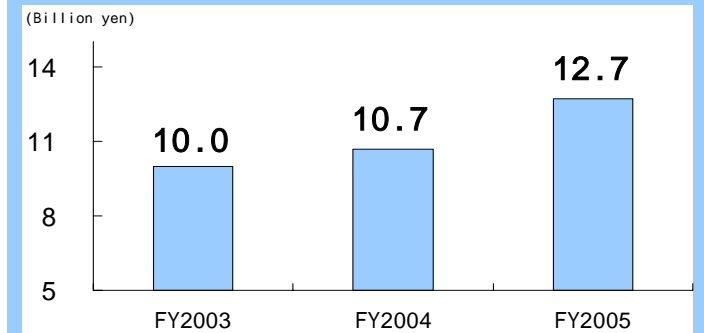
- ◆ Achieve top level of premium growth among the sector through the alliance with housing sector
- ◆ Achieve substantial premium growth in the Pro channel as well, through alliances with housing sectors
- ◆ Expanding tie-ups with regional financial institutions



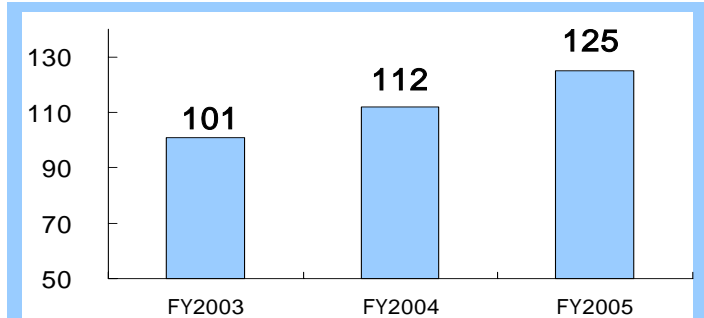
Sales of Long-term fire ins. in Housing sector



Sales of Long-term fire ins. in Pro channel



Sales in Banc-assurance Partner banks



5. Reform of the Sales Structure

Note: Operating result basis

◆ Reform the sales structure to enhance efficiency, and strengthen approach to new areas

(Unit: Outlets, Billion yen)

Channel structure reform

	Apr-05	Apr-06
Contracting agent	1,736	1,938
Cooperating agent	124	158
Umbrella agent	27	40

Sales outlet reform

	Apr-05	Apr-06
Pro sales section	11	11
Admin. promotion centre	16	18
Sales centres/teams	67	74

Transfer/absorb non-independent agents

	Apr-05	Apr-06
No. of agents	8,428	14,632
Premiums	44.8	73.7

Agent operational reform

	FY2004	FY2005
Direct entry of contract	51.0%	79.3%
Direct debit from first payment	48.8%	54.1%
Daily settlement	26.9%	36.8%

Promote expansion/integration of agents

Reorganize the sales structure to provide support at the agent operations level

Significantly improve sales outlet operations through ongoing reform of agency business

◆ Enhance efficiency of non-life operations

Sales personnel focusing on premium growth/new business activities, staff in charge of internal affairs strengthening sales support function

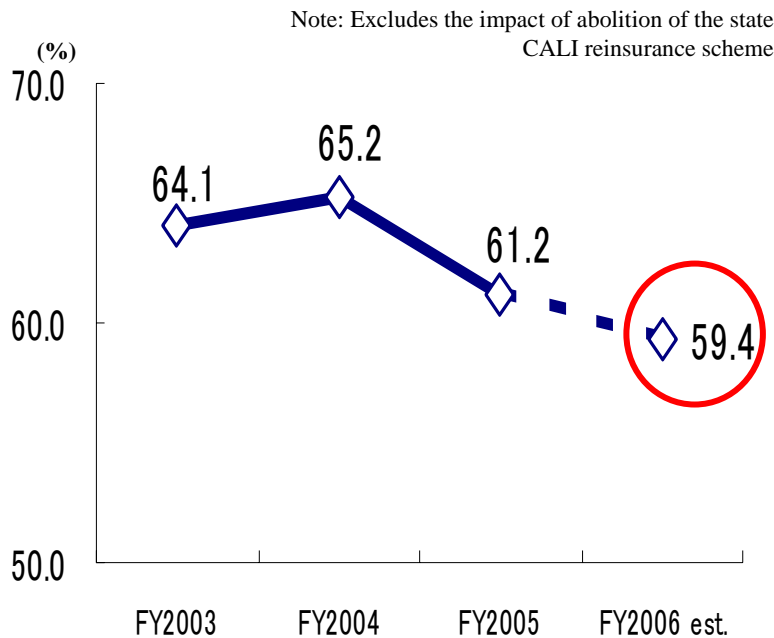
◆ Strengthen approach to new fields

Allocate personnel to core areas for consolidation, incl. overseas and life operations

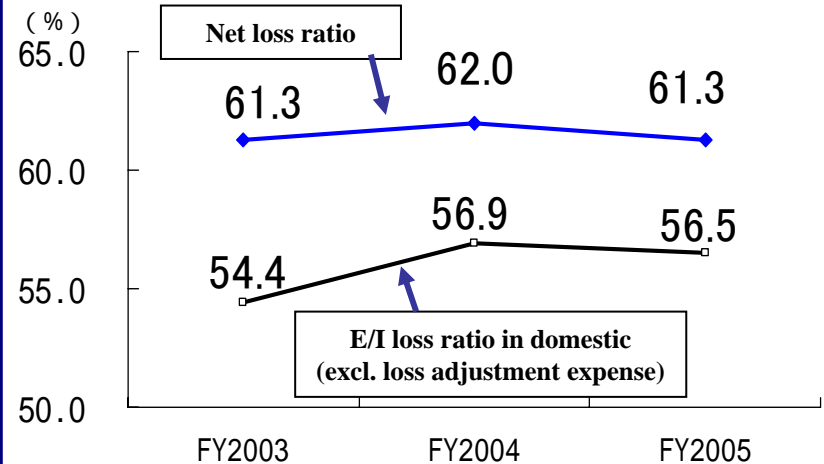
6. Loss Improvement

- ◆ Loss improvement initiatives in domestic and overseas have significantly cut the net loss ratio
- ◆ Loss ratio in Motor is the lowest among the sector, due to ongoing loss improvement initiatives combined with a strategy for premium growth

Improvement of the net loss ratio



Loss improvement of motor insurance



Loss Improvements Measures in Motor

Develop appropriate products

Appropriate Claim handling

Appropriate Underwriting

7. Asset Management Strategy

Strengthen investment capability

FY2005

- ◆ Promote efficiency of funds, taking liquidity into account
- ◆ Promote asset soundness
- ◆ Gear up for future expansion of asset management profit

Cut short-term funds

Cut by ¥100bn, invest in yen bonds/overseas stocks

Cut strategic shareholdings

Cut by ¥140.3bn over past 3yrs (¥10.9bn reduction in FY2005)
Note: Book value basis

Expand scope of investment

CDO/CDS, private equity, securitized real estate, housing loans

Investment Plan for FY2006

Shift to high-return investments more through proactive risk-taking concept, aiming to raise more profit whilst continuing to strengthen risk control

Shift investment to high-margin type

Increase CDO etc.

Increase investment in securitized real estate market

Increase private equity investments in Japan and overseas

Increase housing loans and apartment loans

Strengthen ALM/promote diversified investment

Mitigate interest risk through ALM

Promote currency diversification

Start commodity investment

Enter investment in Asian stocks

8. Aioi Life (1)

- ◆ New policy (personal/pensions) increased solidly 4.7% YoY, topping ¥1 trillion. On an annualized basis, premiums on new policies increased 21.3% YoY to ¥12.9bn
- ◆ Total policies in force (personal/pensions) also increased 11.2 YoY, surpassing ¥4 trillion.

New products in the past year

Variable Whole Life Insurance
 Super Whole Life Premium
 'CARNA' insurance for women

New Increasing Term Life Insurance



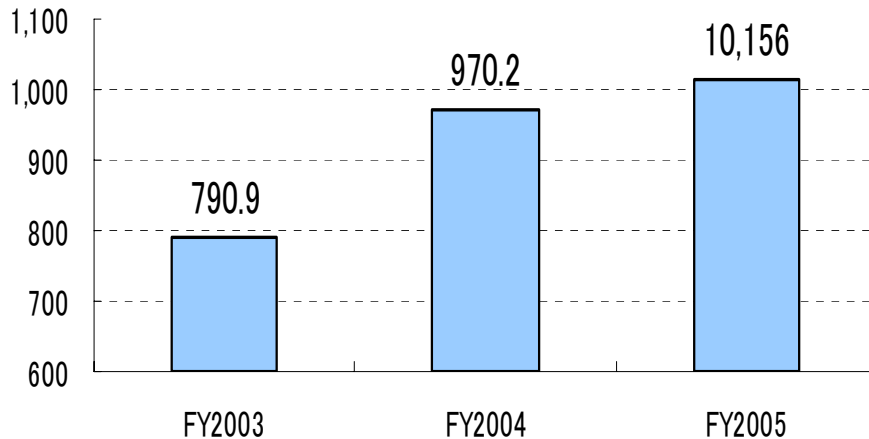
FY2006 New products

Lump Sum Whole Life Insurance
 'Dream One'

New Policies (Personal/Pensions)

(Billion yen)

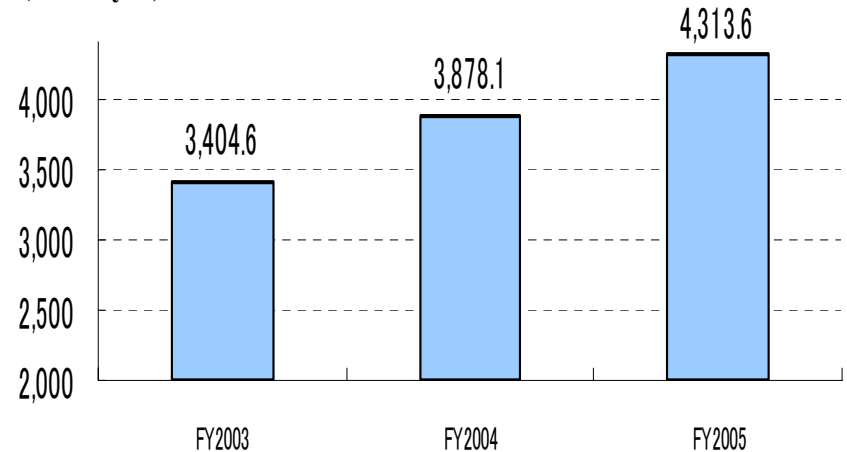
+4.7%



Policies in Force (Personal/Pensions)

(Billion yen)

+11.2%



Annualized premiums

¥9.2bn

¥10.6bn

¥12.9bn

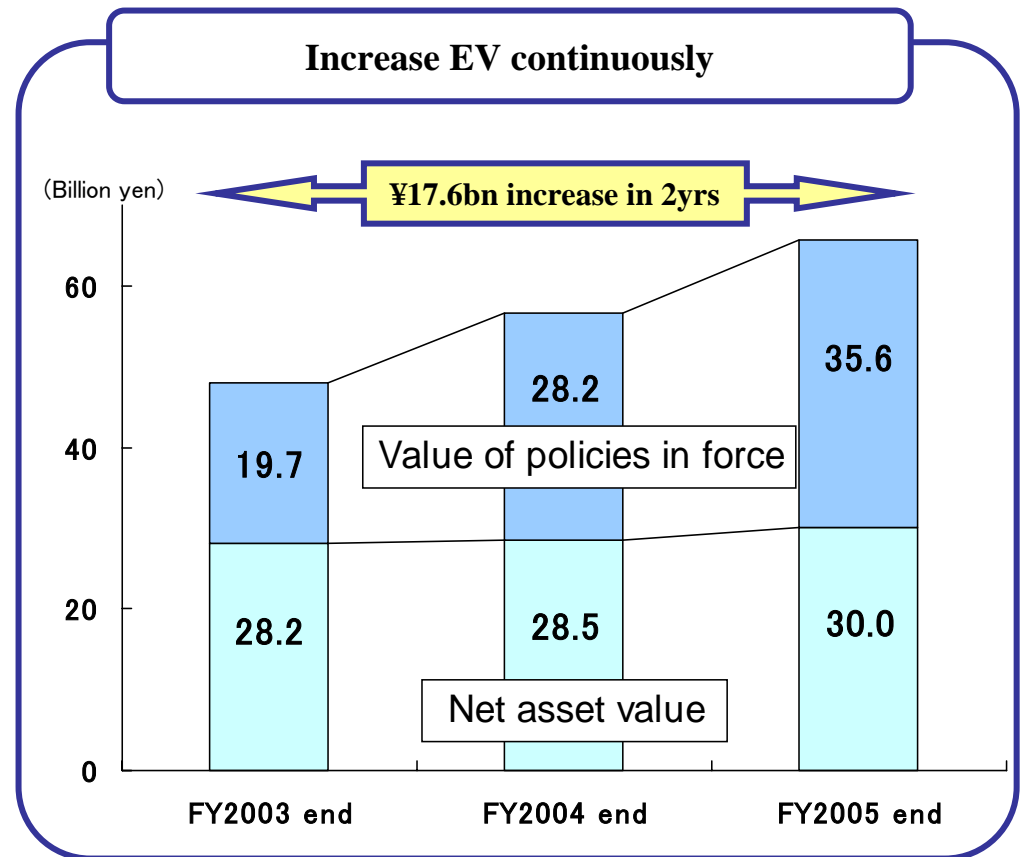
¥44.1bn

¥50.1bn

¥57.6bn

8. Aioi Life (2)

- ◆ Aiming for double-digit increase in policies in force through new products and strengthen policy retention further
- ◆ Also aiming for ongoing increase in EV through business streamlining and bolstered profitability



III. FY2006 Management Policy

1. Management Policy for FY2006

<FY2005>

- ◆ Achieve top level of premium growth in the motor insurance which is our core business and lay a foundation for further solid premium growth
- ◆ Restore and expand the capital base steadily through the increase in retained earnings

<FY2006>

Final year of our corporate mid-term plans

- ◆ Continue/reinforce our current business strategy which has materialized this good results which lead a further increase in premium/ profit growth
- ◆ Bolster asset management capability further
- ◆ Develop the overseas and life operations aggressively and aim to diversify earnings structure
- ◆ Underpinned by profit growth, realize further capital expansion to build solid foundation for future growth through a new business alliances with major players in the world

- ◆ Aim to reform the earnings structure by establishing a foundation for continued profit growth
- ◆ Reinforce the focus on customers needs in all business areas, and create a corporate culture to produce the best quality of products as well as services to customers
- ◆ Management effort to materialize increased dividend steadily and continuously

2. Management Targets for FY2006

■ Non-life operations*1

(Unit: Billion yen, %)

	FY2006	Change from FY2005
Net Premiums Written	785.0	16.0
Premium growth	2.1	1.0P
Net Loss Ratio	59.4	1.8P
Net Expense Ratio	35.4	0.5P
Combined Ratio	94.8	2.3P
Asset Management Profit	23.9	△4.5
Ordinary Profit	32.0	7.0
Net Profit	20.0	0.2
Overseas Premiums (local/direct)	41.4	6.9

Further premium growth in the following business

- Motor insurance
- Long-term fire insurance

Sell more insurance in Toyota market
Reinforce platform (=cross-sell) strategy

Raise productivity

- Sales structure reform now in place and materialize positive results in FY2006

Increase high-margin investment in addition to stable performance in our investment portfolio

Promote/strengthen F&I business allied with Toyota's overseas strategy

Boost sales through our agents and produce unique products continuously matched to customer's most needs

■ Life operation

New Personal Policies/Pensions	1,060.0	44.4
Policies in force*2	6,145.0	560.2
Personal/Pensions	4,840.0	526.4
Real Ordinary Profit *3	4.2	0.9

*1 Excludes the impact of abolition of the state CALI reinsurance scheme

*2 Excl. group pension insurance

*3 Before increase in statutory reserve

Aioi Insurance Co., Ltd.

Corporate Planning

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This presentation contains some statements refer to our future performance, which entail certain risks and uncertainties, therefore, there are possibilities

Please note that our future performance as well as corporate strategy might vary due to future changes in the external environment.

IR Meeting Reference Data

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II. Operating Result Data

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I. Earnings Data

1. FY2005 Earnings Summary

(Unit: Billion yen, %)

	FY2004	FY2005	Change	Change %
1. Direct Premiums Written	858.4	868.5	10.0	1.2
2. Net Premiums Written	827.8	834.2	6.4	0.8
3. Net Claims Paid	498.9	488.0	10.9	2.2
4. Loss Adjustment Expenses	35.6	35.1	0.4	1.3
5. Net Operating Expenses	274.4	275.8	1.4	0.5
Operating Income	18.7	35.2	16.4	87.6
6. Increase in Claims Reserve	1.4	15.4	16.9	
7. Increase in CAT Reserve	0.5	28.7	28.1	
Underwriting Profit (Loss)	9.9	1.9	11.8	-
Asset Management Profit & Loss	38.0	28.4	9.5	
(of which interest/dividend income)	(38.7)	(42.1)	(3.4)	
(of which gain (loss) on sale of securities)	(20.8)	(6.9)	(13.8)	
(of which valuation loss on securities)	(1.3)	(0.9)	(0.3)	
Ordinary profit	22.3	24.9	2.5	11.2
Extraordinary profit	17.3	11.9	5.3	
(Other extraordinary profit)	(15.2)	(11.7)	(3.5)	
Extraordinary loss	16.0	7.6	8.4	
(Impairment loss)	(8.5)	(1.6)	(6.9)	
(Other extraordinary loss)	(3.7)	(3.0)	(0.7)	
Net profit	16.1	19.7	3.6	22.4

Key Points
Of which fire +Y10.5bn YoY (incl E/Q); motor +Y3.7bn YoY
Of which domestic direct facultative +Y12.5bn YoY; CALI -Y3.3bn YoY
Natural disasters Y4.2bn (-Y29.4bn YoY)
CALI +Y12.2bn YoY (due to abolition of state CALI reinsurance)
Of which personnel expenses -Y1.2bn YoY; non-personnel +Y0.2bn YoY
Marketing costs in domestic direct business +Y3.0bn
Overseas: -Y14.3bn
Ordinary fire transfer rate 8.0% + Y10.6bn allocation for Nat Cat

o/w Interest/dividend income on securities +Y4.1bn
o/w domestic shares -Y9.3bn

	FY2004	FY2005
FR-related litigation	Y10.3bn	Y11.0bn
Reversal of bad debt provision	Y4.9bn	Y0.7bn
Subsidiary-related loss	Y3.7bn	Y3.0bn

(Ratios)

Net premium growth ratio	1.1%	0.8%	1.9%
Net loss ratio	64.6%	62.7%	1.9%
Net expense ratio	33.2%	33.1%	0.1%
Combined ratio	97.7%	95.8%	1.9%
U/W profit ratio	2.3%	4.2%	1.9%

(Ratios [excl. impact of abolition of CALI state R/I scheme])

Net premium growth ratio	1.2%	1.1%	2.3%
Net loss ratio	65.2%	61.2%	4.0%
Net expense ratio	36.1%	35.9%	0.2%
Combined ratio	101.3%	97.1%	4.2%
U/W profit ratio	1.3%	2.9%	4.2%

Financial position

	FY2004	FY2005	Change
Total assets	2,569.1	2,761.1	192.0
Equity capital	452.0	630.6	178.6
Catastrophe Reserves	194.8	223.5	28.7
Solvency Margin Ratio	951.9%	1,058.7%	106.8%

Natural Disasters [details on P10]

	Direct	Net	Claims paid		Claims Reserve
			Claims paid	Claims Reserve	
Fire/casualty	3.7	3.6	3.4	0.2	
Motor	0.8	0.8	0.8	0.0	
Total	4.5	4.4	4.2	0.2	

2. Premiums & Claims by Class

•Direct Premiums Written by Class

(Unit: Million yen, %)

Class \ FY	FY2003		FY2004		FY2005		FY2006 Est	
		Change %		Change %		Change %		Change %
Fire	96,824	4.3	102,099	5.4	112,658	10.3	118,200	4.9
Marine	5,039	1.0	4,910	2.6	5,085	3.6	5,200	2.2
P.A.	49,619	0.9	50,588	2.0	51,224	1.3	52,400	2.3
Motor	464,177	2.7	457,454	1.4	461,197	0.8	468,000	1.5
CALI	174,213	2.1	174,622	0.2	169,696	2.8	175,100	3.2
Other	67,292	2.7	68,783	2.2	68,652	0.2	71,500	4.1
Total	857,167	0.9	858,458	0.2	868,516	1.2	890,400	2.5

•Net Premiums Written by Class

(Unit: Million yen, %)

Class \ FY	FY2003		FY2004		FY2005		FY2006 Est	
		Change %		Change %		Change %		Change %
Fire	83,737	3.3	88,591	5.8	95,256	7.5	99,400	4.3
Marine	5,251	0.5	5,368	2.2	5,660	5.4	5,900	4.2
P.A.	49,090	1.6	49,220	0.3	49,265	0.1	50,300	2.1
Motor	471,792	3.7	460,647	2.4	464,357	0.8	471,800	1.6
CALI	153,634	16.8	154,455	0.5	151,083	2.2	151,000	0.1
Other	73,089	7.6	69,524	4.9	68,661	1.2	71,600	4.3
Total	836,596	0.0	827,807	1.1	834,284	0.8	850,000	1.9

•Net Claims Paid by Class

(Unit: Million yen, %)

Class \ FY	FY2003			FY2004			FY2005			FY2006 Est		
		Loss ratio	Change		Loss ratio	Change		Loss ratio	Change		Loss ratio	Change
Fire	34,182	42.4	5.8	55,894	65.0	22.6	41,330	45.0	20.0	36,200	38.0	7.0
Marine	3,896	76.5	21.5	2,905	56.1	20.4	3,118	56.6	0.5	3,200	55.7	0.9
P.A.	17,790	40.4	2.4	16,284	36.5	3.9	16,704	37.1	0.6	16,200	35.4	1.7
Motor	266,689	61.3	0.9	263,849	62.0	0.7	263,690	61.3	0.7	270,400	61.8	0.5
CALI	64,304	47.1	2.1	85,243	60.4	13.3	97,473	69.9	9.5	102,300	73.2	3.3
Other	84,622	119.9	13.8	74,792	111.2	8.7	65,729	99.6	11.6	60,700	88.6	11.0
Total	471,486	60.8	0.7	498,969	64.6	3.8	488,046	62.7	1.9	489,000	61.7	1.0

Note: Net Loss Ratio (%) = (net claims paid + loss adjustment expenses) ÷ net premiums written

3. Premiums & Claims by Class (excl. special factors)

• Net premiums written by class (excl. impact of abolition of the state CALI reinsurance scheme)

(Unit: Million yen, %)

Class \ FY	FY2003		FY2004		FY2005		FY2006 Est	
		Change %		Change %		Change %		Change %
Fire	83,737	3.3	88,591	5.8	95,256	7.5	99,400	4.3
Marine	5,251	0.5	5,368	2.2	5,660	5.4	5,900	4.2
P.A.	49,090	1.6	49,220	0.3	49,265	0.1	50,300	2.1
Motor	471,792	3.7	460,647	2.4	464,357	0.8	471,800	1.6
CALI	86,942	4.5	87,548	0.7	85,793	2.0	86,000	0.2
Other	73,089	7.6	69,524	4.9	68,661	1.2	71,600	4.3
Total	769,905	2.4	760,900	1.2	768,994	1.1	785,000	2.1

• Net claims paid by class (excl. impact of abolition of the state CALI reinsurance scheme)

(Unit: Million yen, %)

Class \ FY	FY2003			FY2004			FY2005			FY2006 Est		
		Loss ratio	Change		Loss ratio	Change		Loss ratio	Change		Loss ratio	Change
Fire	34,182	42.4	5.8	55,894	65.0	22.6	41,330	45.0	20.0	36,200	38.0	7.0
Marine	3,896	76.5	21.5	2,905	56.1	20.4	3,118	56.6	0.5	3,200	55.7	0.9
P.A.	17,790	40.4	2.4	16,284	36.5	3.9	16,704	37.1	0.6	16,200	35.4	1.7
Motor	266,689	61.3	0.9	263,849	62.0	0.7	263,690	61.3	0.7	270,400	61.8	0.5
CALI	49,077	65.7	4.8	46,843	62.7	3.0	45,160	62.1	0.6	44,200	61.0	1.1
Other	84,622	119.9	13.8	74,792	111.2	8.7	65,729	99.6	11.6	60,700	88.6	11.0
Total	456,259	64.1	0.4	460,569	65.2	1.1	435,733	61.2	4.0	430,900	59.4	1.8

Note: Net Loss Ratio (%) = (net claims paid + loss adjustment expenses) ÷ net premiums written

4. Inwards Reinsurance Premiums & Claims by Class

•Net Inwards Reinsurance Premiums by Class

(Unit: Million yen, %)

Class \ FY	FY2003		FY2004		FY2005	
		Change %		Change %		Change %
Fire	14,533	1.2	12,779	12.1	8,865	30.6
Marine	1,551	4.0	1,706	10.0	1,823	6.8
P.A.	907	213.7	955	5.3	945	1.1
Motor	13,460	30.0	8,827	34.4	8,360	5.3
CALI	113,937	22.7	114,497	0.5	111,746	2.4
Other	14,418	54.9	8,423	41.6	10,418	23.7
Total	158,808	1.1	147,190	7.3	142,160	3.4

FY2006 Est	Change %
9,400	6.0
1,900	4.2
1,000	5.8
9,100	8.8
110,400	1.2
10,000	4.0
141,800	0.3

•Net Inwards Reinsurance Claims by Class

(Unit: Million yen, %)

Class \ FY	FY2003			FY2004			FY2005		
		Loss ratio	Change		Loss ratio	Change		Loss ratio	Change
Fire	13,652	93.9	19.6	8,434	66.0	27.9	11,495	129.7	63.7
Marine	2,673	172.4	72.9	1,573	92.2	80.2	1,897	104.1	11.9
P.A.	181	20.0	81.9	254	26.6	6.6	307	32.6	6.0
Motor	12,407	92.2	24.8	7,138	80.9	11.3	5,415	64.8	16.1
CALI	64,304	56.4	1.2	85,243	74.5	18.1	97,473	87.2	12.7
Other	42,937	297.8	171.0	38,386	455.7	157.9	32,033	307.5	148.2
Total	136,156	85.7	8.9	141,030	95.8	10.1	148,622	104.5	8.7

FY2006 Est	Loss ratio	Change
4,500	47.9	81.8
1,800	94.7	9.4
400	40.0	7.4
5,900	64.8	0.0
102,300	92.7	5.5
25,600	256.0	51.5
140,500	99.1	5.4

5. Breakdown of Net Operating Expenses

(Unit: Million yen, %)

		FY2003			FY2004			FY2005			FY2006 Est		
			Change %	% of Premium		Change %	% of Premium		Change %	% of Premium		Change %	% of Premium
Loss Adjustment Expenses + Op. Expenses & SG&A	Personnel	96,036	6.3	11.5	93,966	2.2	11.4	92,836	1.2	11.1	90,000	3.1	10.6
	Non-Personnel	77,197	4.3	9.2	74,976	2.9	9.1	75,102	0.2	9.0	76,100	1.3	9.0
	Taxes etc.	10,477	3.1	1.3	10,081	3.8	1.2	9,942	1.4	1.2	10,300	3.6	1.2
	Total	183,711	5.3	22.0	179,024	2.6	21.6	177,881	0.6	21.3	176,400	0.8	20.8
Operating expenses & SGA associated with underwriting		138,602	5.4	16.6	135,673	2.1	16.4	135,071	0.4	16.2	132,900	1.6	15.6
Fees & collection expenses		141,255	5.0	16.9	138,783	1.8	16.8	140,788	1.4	16.9	145,200	3.1	17.1
Operating Expenses		279,858	5.2	33.5 (36.3)	274,456	1.9	33.2 (36.1)	275,859	0.5	33.1 (35.9)	278,100	0.8	32.7 (35.4)

* Figures in brackets exclude the impact of abolition of the state CALI reinsurance scheme

6. Catastrophe Reserves

(Unit: Million yen, %)

Class	FY	FY2003		FY2004		FY2005	
		(Reserve ratio)	Change	(Reserve ratio)	Change	(Reserve ratio)	Change
Fire		65,587 (79.7)	4,228	56,358 (64.7)	9,229	74,136 (79.3)	17,778
Marine		3,370 (64.2)	570	3,509 (65.4)	138	3,719 (65.7)	209
P.A.		26,969 (54.9)	1,420	28,415 (57.7)	1,445	29,885 (60.7)	1,469
Motor		84,240 (17.9)	5,350	89,366 (19.4)	5,126	97,114 (20.9)	7,747
Other		14,056 (19.2)	638	17,160 (24.7)	3,103	18,692 (27.2)	1,532
Total		194,225 (28.5)	9,790	194,809 (29.0)	583	223,547 (32.8)	28,737

Reserve ratio = o/s catastrophe reserve ÷ net premiums written (excl. dwelling EQ / CALI) × 100

Breakdown of transfer/
draw-down in FY2005

Draw-down	Transfer
107	17,885
33	242
-	1,469
29,197	36,944
4,853	6,386
34,192	62,929

[Transfer ratios]
Ordinary fire 8.0% + Y10.6bn additional transfer
Motor 7.9%

7. Underwriting Reserve

(Unit: Million yen)

Class \ FY	FY2004	FY2005	Change
Fire	479,039	502,257	23,217
Marine	5,196	6,545	1,348
P.A.	554,200	526,138	28,062
Motor	237,006	241,462	4,456
CALI	241,098	257,309	16,211
Other	118,266	117,011	1,255
Total	1,634,807	1,650,724	15,916

8. Claims Reserve

(Unit: Million yen)

Class \ FY	FY2004	FY2005	Change
Fire	41,313	33,639	7,673
Marine	7,223	5,634	1,589
P.A.	11,499	12,366	866
Motor	172,019	172,836	816
CALI	36,577	36,765	188
Other	82,863	74,787	8,076
Total	351,497	336,030	15,466

9. Total Assets/Managed Assets

(Unit: million yen)

	FY2004	FY2005	Change
Marketable Securities	1,585,414	1,984,055	398,640
Gvt/corp bonds	610,128	750,541	140,412
Shares	512,254	707,270	195,016
Foreign securities	376,032	418,123	42,091
Other securities	86,999	108,119	21,120
Loans	343,015	347,965	4,949
Land/buildings	143,775	140,416	3,359
Other	496,908	288,679	208,228
Total assets	2,569,113	2,761,116	192,002
(o/w managed assets)	2,248,858	2,546,709	297,850

(For Reference)

	FY2004	FY2005	Change
Long-Lived Assets	678,138	632,404	45,734

10. Solvency Margin Ratio

(Unit: Billion yen)

	FY2003	FY2004	FY2005	YoY
(A) Total solvency margin (amount)	794.4	805.5	1,086.1	280.6
Total capital (excl. expected outflow, deferred assets & other valuation gain on securities)	301.3	311.5	325.0	13.5
Price fluctuation reserve	2.3	3.5	4.7	1.2
CAT reserve (incl. E/Q insurance loss reserve)	226.5	228.8	259.5	30.7
Allowance for bad debt	2.1	0.5	0.2	0.2
90% of valuation difference on other securities (before tax effect deduction)	196.5	189.6	419.9	230.3
85% of unrealized gains on land	0.2	1.0	0.0	1.0
Deductions (negative)	12.5	12.5	12.5	-
Other	77.8	82.9	89.0	6.0
(B) Total risk ($\sqrt{R1^2+(R2+R3)^2 +R4+R5}$)	174.5	169.2	205.1	35.9
General insurance risk (R1)	56.1	47.0	47.0	0.0
Projected interest risk (R2)	1.4	1.4	1.3	0.0
Asset management risk (R3)	96.7	94.5	115.7	21.1
Business management risk (R4)	4.2	4.0	4.7	0.7
Catastrophe risk (R5)	57.2	58.3	74.2	15.8
Solvency margin ratio ((A) / [(B) x 0.5] x 100)	910.1%	951.9%	1,058.7%	106.8P

11. Asset Evaluation (Loans)

(Unit: Million yen, %)

	FY2004	(Share)	FY2005	(Share)	Change	(Share)
Total	343,015	(100.0)	347,965	(100.0)	4,949	(-)
Total non-classified assets	326,530	(95.2)	332,860	(95.7)	6,330	(0.5)
Total classified assets	16,485	(4.8)	15,104	(4.3)	1,380	(0.5)
Class II	11,848	(3.5)	10,884	(3.1)	963	(0.4)
Class III	4,483	(1.3)	2,353	(0.7)	2,129	(0.6)
Class IV	152	(0.0)	1,865	(0.5)	1,712	(0.5)

12. Debt Subject to Risk Control

(Unit: Million yen, %)

	FY2004	FY2005	Change
Total debt subject to risk control	12,169	10,962	1,206
Debts with failed companies	117	32	85
Debts overdue	11,497	10,494	1,002
Debts overdue for more than 3 months	307	170	137
Debts with relaxed repayment terms	246	265	19
Loans	343,015	347,965	4,949
As a proportion of loans	3.5	3.2	0.3

13. Shareholdings by Sector

(Unit: Million yen, %)

Category	FY2004		FY2005		Change	
	Amount	Share	Amount	Share	Amount	Share
Finance & Insurance	98,907	19.3	134,731	19.1	35,824	0.2
Transport Equipment	67,085	13.1	96,043	13.6	28,958	0.5
Commerce	64,197	12.5	92,157	13.0	27,959	0.5
Electrical Machinery	45,849	8.9	63,028	8.9	17,178	0.0
Chemicals	51,783	10.1	61,047	8.6	9,263	1.5
Construction	29,868	5.8	53,810	7.6	23,941	1.8
Land Transport	29,597	5.8	39,876	5.6	10,279	0.2
Machinery	19,778	3.9	30,958	4.4	11,180	0.5
Real Estate	9,419	1.8	20,807	2.9	11,388	1.1
Oil & Coal Products	19,252	3.8	20,354	2.9	1,101	0.9
Other	76,514	15.0	94,454	13.4	17,939	1.6
Total	512,254	100.0	707,270	100.0	195,016	0.0

14. Asset Management Profit & Loss

(Unit: Billion yen)

	FY2004	FY2005	Change
Asset Management Profit & Loss	38.0	28.4	9.5
Interest and dividend income	38.7	42.1	3.4
Gain on sale of marketable securities	20.8	6.9	13.8
Valuation loss on marketable securities	1.3	0.9	0.3
Other profit/loss on assets managed	0.6	1.0	0.4
Profit/loss on money in trust	0.0	0.3	0.4
Profit/loss on financial derivatives	0.9	0.7	0.1
Profit/loss on securities held for trading	1.1	1.9	0.7
Gain on redemption of securities	-	0.0	0.0
Forex gain/loss	0.1	0.0	0.0
Other profit/loss on assets managed	0.1	0.2	0.0
Transfer to profit, incl. reserve premiums	20.7	20.7	0.0

15. Marketable Securities

(1) Unrealized profit (loss) on securities

(Unit: Billion yen)

	FY2004	FY2005	Change
Gvt/corp bonds	7.7	8.1	0.4
Shares	206.1	407.2	201.1
Foreign securities	7.2	30.8	38.1
Other	4.1	20.3	16.2
Total	210.6	466.6	255.9

NB: Monetary claims purchased are included under 'Other'

(2) Gain (loss) on sale of securities

(Unit: Billion yen)

	FY2004	FY2005	Change
Gvt/corp bonds	1.6	2.8	4.4
Shares	23.3	14.0	9.3
Foreign securities	4.3	4.7	0.4
Other	0.2	0.5	0.3
Total	20.8	6.9	13.8

(3) Valuation loss on securities after impairment

(Unit: Billion yen)

	FY2004	FY2005	Change
Gvt/corp bonds	0.0	-	0.0
Shares	1.3	0.9	0.3
Foreign securities	0.0	-	0.0
Other	-	-	-
Total	1.3	0.9	0.3

16. Reduction in Strategic Shareholdings

(Unit: Billion yen)

	FY2003	FY2004	FY2005	Change
Reduction	96.6	32.8	10.9	21.9
Balance	303.6	270.8	259.9	10.9

Note: Reduction and Balance figures are book value basis, after impairment

17. Fixed Asset Impairment

(Unit: Billion yen)

	FY2004	FY2005	Change
Land	5.0	0.5	4.5
Buildings	3.4	1.0	2.3
Total	8.5	1.6	6.9

18. Impact of Natural Disasters

(Unit: Billion yen)

		FY2004	FY2005	Change
Direct	Fire	40.4	3.3	37.1
	Motor	7.8	0.8	7.0
	Other	1.5	0.2	1.3
	Claims paid	49.7	4.3	45.4
	Claims Reserve	4.0	0.2	3.9
	Total	53.7	4.5	49.3
Reinsurance	Fire	14.3	0.1	14.2
	Motor	1.6	0.0	1.6
	Other	0.2	0.0	0.2
	Claims recovered	16.1	0.1	16.0
	Reserves recovered	1.7	0.0	1.7
	Total	17.8	0.1	17.7
Net	Fire	26.1	3.2	22.9
	Motor	6.2	0.8	5.4
	Other	1.3	0.2	1.1
	Claims paid	33.6	4.2	29.4
	Claims Reserve	2.3	0.2	2.2
	Total	35.9	4.4	31.6
Draw-down on Cat reserves		21.5	0.8	20.7
Net impact (negative)		14.4	3.6	10.9

[Impact on net loss ratio]

(Unit: %)

	FY2004	FY2005	Change
Fire	29.5	3.4	26.1
Motor	1.3	0.2	1.1
Other	1.8	0.3	1.5
Total	4.1	0.5	3.6

19. Aoi Life - Earnings Summary

(Unit: Billion yen, %)

	FY2004	FY2005		
			Change	Change %
New policy total	1,081.8	1,086.6	4.7	0.4
Personal/pensions	970.2	1,015.6	45.4	4.7
Group/group pensions	111.6	70.9	40.6	36.4
Policies in force	4,829.7	5,585.5	755.7	15.6
Personal/pensions	3,878.1	4,313.6	435.4	11.2
Group/group pensions	951.5	1,271.9	320.3	33.7

(Million yen, %)

Premium and other income	63,091	72,466	9,375	14.9
Asset management profit	3,902	4,580	678	17.4
Claims and other payments	20,036	23,058	3,022	15.1
Asset management expenses	76	9	66	88.1
Total assets	229,243	267,474	38,230	16.7
Solvency Margin Ratio	1,874.0	1,733.9	140.1P	

II. Operating Result Data

1. Operating Premiums

(1) By Class

(Unit: Billion yen, %)

	FY2004		FY2005		
	Amount	Change %	Amount	Change	Change %
Motor	460.3	1.1	464.1	3.9	0.8
CALI	145.7	0.3	161.2	15.5	10.7
Fire	100.5	5.2	109.8	9.3	9.3
P.A.	41.3	4.2	43.6	2.3	5.6
Marine	8.5	0.1	8.6	0.1	1.7
Other	61.0	2.9	62.8	1.8	3.0
Total	817.2	0.4	850.2	33.0	4.0

(2) By Channel

(Unit: Billion yen, %)

	FY2004		FY2005		
	Amount	Change %	Amount	Change	Change %
Pro	289.8	0.5	294.6	4.8	1.7
Motor	163.4	0.9	172.5	9.1	5.6
Toyota Group	175.9	3.3	187.1	11.1	6.3
Toyota Gp dealers	152.7	1.6	164.0	11.3	7.4
Toyota Gp cos.	23.2	15.9	23.1	0.1	0.6
Other dealers	27.5	6.9	27.3	0.2	0.8
Corporates	85.1	1.3	88.9	3.9	4.5
Financial	26.1	0.6	26.2	0.0	0.1
o/w bancassurance	4.3	10.8	3.9	0.4	10.0
Other	49.4	1.8	53.6	4.2	8.5
Total	817.2	0.4	850.2	33.0	4.0

2. Motor Insurance

(1) Vehicle/unit price trend (FY2005, quarterly)

	Q1	Q2	Q3	Q4	FY2005
Premiums	0.8%	0.6%	0.6%	1.3%	0.8%
Vehicles	0.8%	0.6%	3.4%	1.6%	1.6%
Unit Prices	0.0%	0.0%	2.7%	0.3%	0.8%

(2) Fleet, non-fleet vehicle/unit price trend

	FY2003		FY2004		FY2005	
	Vehicle increase %	Unit price increase %	Vehicle increase %	Unit price increase %	Vehicle increase %	Unit price increase %
Total	0.2%	2.1%	0.5%	1.6%	1.6%	0.8%
Fleet	0.2%	3.7%	5.6%	5.9%	9.4%	5.7%
Non-fleet	0.2%	1.9%	0.2%	1.0%	0.6%	0.0%

(3) Switchover to "Top Run"

	FY2004	FY2005	Change
Total	49.2%	55.4%	6.2P
New	52.8%	49.4%	3.4P
Renewal	48.8%	56.0%	7.2P

(4) Sales of dedicated Toyota market products (Unit: 1,000 policies, Billion yen)

	FY2004		FY2005		
	Policies	Premiums	Policies	Premiums	Premium growth rate
Convini Plan	52	5.4	57	5.9	8.4%
Nagaraku Plan	21	1.9	27	2.3	21.3%
Lexus Owners' Motor Insurance Plan	-	-	2	0.5	-

3. Platform Products

(Unit: 1,000 policies, Billion yen)

	FY2004		FY2005		Change	
	Policies	Premiums	Policies	Premiums	Policies	Premiums
Live Lead (Health Comp.)	59	4.8	103	7.4	44	2.6
Home Comp.	306	12.3	315	12.8	9	0.6
Traders Comp	14	1.3	24	2.0	9	0.7
Construction Comp	13	4.1	14	4.7	1	0.6
Transportation Comp.	0	0.2	1	0.4	0	0.2

Note: Total policies, operating result basis

4. Long-Term Fire Products

(Unit: 1,000 policies, Billion yen)

	FY2004		FY2005		Change	
	Policies	Premiums	Policies	Premiums	Policies	Premiums
My Home Comprehensive	2	0.5	82	17.0	81	16.5

5. Aioi Life

(1) Sales of Main Products

< Personal >

Launch Date	Product Name	FY2004 Policies	FY2005 Policies	Cumulative Policies (since launch)
Jun 2004	"New Income Protection Insurance <i>Just One</i> "	13,161	9,533	22,694
Nov 2004	" <i>Zutto Luck</i> "	745	2,037	2,782
Apr 2005	" <i>Doru Monogatari</i> "	-	530	530
Jun 2005	"Super Whole Life Premium"	-	4,734	4,734
(Ref) Variable Whole Life Insurance (incl. "Super Whole Life Premium", "CARNA")			28,070	28,070

< Group >

Launch Date	Product Name	FY2004 No. of insureds	FY2005 No. of insureds	Cumulative (since launch) No. of insureds
Feb 2004	Group credit life cover with cancer diagnosis benefit	1,980	13,030	15,010

(2) Embedded Value

(Unit: Billion yen)

	FY2002	FY2003	FY2004	FY2005	Change
Embedded Value	40.9	48.0	56.7	65.6	8.9
Net asset value	27.0	28.2	28.5	30.0	1.5
Value of policies in force	13.9	19.7	28.2	35.6	7.3
O/w new policy value	1.5	2.1	2.8	3.4	0.6
Increase in EV	-	7.0	8.7	8.9	

< Assumptions >

Mortality rate/hospitalisation	Set based on results, etc. since launch	
Cancellation/lapse rate	Set based on most recent year's results, etc.	
Expenses	Set based on most recent FY results, etc.	
Maintained SM ratio	1,000%	
Risk discount rate	8% (20-year gvt bond yield (approx 2.05%) + 6% risk premium)	
Return on investment	1.84%	1.87% (FY2006)
	1.84%	1.88% (FY2007)
	1.84%	1.88% (FY2008)
	1.86%	1.92% (FY2013)
	1.87%	1.96% (FY2018)
	1.88%	1.99% (FY2023)

Change in assumption	Impact on EV
1.1x increase in mortality/hospitalisation rate	2.8
1.1x increase in cancellation/lapse rate	0.8
1.1x increase in expenses (associated with policy maintenance)	0.5
Reduce return on new assets managed by 0.25%	1.3
Reduce return on total assets managed by 0.25%	3.7
Change solvency margin to 600%	4.6
Change risk discount rate to 7% (1% reduction)	3.5
Change risk discount rate to 9% (1% increase)	3.1