

[Data]

FY2005 Interim Earnings Data

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1. FY2005 Interim Earnings Summary

(Billion yen, %)

	1H FY2004	1H FY2005	Change	Change %
1. Net Premiums	416.3	418.8	2.5	0.6%
2. Net Claims Paid	230.4	226.5	3.8	1.7
3. Loss Adjusting Expenses	17.8	17.8	0.0	0.0
4. Net Operating Expenses	134.2	136.8	2.5	1.9
Operating Balance	33.8	37.6	3.7	11.2
5. Increase in Reserve	13.4	4.0	17.4	
6. Increase in CAT Reserves	13.4	30.8	17.4	
Underwriting Profit	9.2	4.2	5.0	-
Asset Management Profit (Loss)	19.2	16.1	3.1	
(of which interest/dividend income)	(21.5)	(21.7)	(0.1)	
(of which gain on sale of securities)	(9.9)	(4.4)	(5.5)	
(of which valuation loss on securities)	(1.3)	(0.9)	(0.3)	
Ordinary Profit	7.2	8.9	1.7	23.5
Extraordinary Profits	9.4	11.5	2.0	
Extraordinary Loss	9.5	5.6	3.8	
Net Profit	5.1	9.2	4.1	80.3

Key Points
Domestic direct facultative +Y5.5bn (o/w fire +Y4.9bn, motor +Y1.3bn), CALI -Y1.8bn (impact of rating revision)
Domestic direct facultative -Y2.1bn (o/w motor -Y2.5bn), CALI +Y7.5bn (Impact of abolition of state CALI +Y8.4bn), overseas -Y8.8bn
Impact of major natural disasters +Y1.7bn (-Y13.1bn YoY)
Transfer to reserve: ordinary fire (8.0% + additional reserve Y10.6bn), motor (7.9%)

o/w shares Y2.6bn (-Y5.6bn YoY)

Last 1H	This 1H
FR-related litigation settlement Y8.5bn	FR-related litigation settlement Y11.0bn
Impairment loss Y8.4bn	Subsidiary-related loss Y3.1bn, impairment loss Y1.6bn

(Ratios)

Net premium growth ratio	0.7%	0.6%	1.3%
Net loss ratio	59.6%	58.3%	1.3%
Net expense ratio	32.2%	32.7%	0.5%
Combined ratio	91.9%	91.0%	0.9%
Balance of income/expenditure	8.1%	9.0%	0.9%

Financial position

	1H FY2004	1H FY2005	FY2004
Total assets	2,564.4	2,663.8	2,569.1
Equity capital	414.1	524.1	452.0
Catastrophe reserves	207.6	225.6	194.8
Solvency margin	892.3%	960.6%	951.9%

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

Net premium growth ratio	0.8%	0.9%	1.7%
Net loss ratio	60.6%	56.9%	3.7%
Net expense ratio	35.1%	35.5%	0.4%
Combined ratio	95.7%	92.4%	3.3%
U/W profit ratio	4.3%	7.6%	3.3%

Major natural disasters (at 30 Sep)

Net	FY2004 1H	FY2005 1H	Change
Claims paid	6.3	1.1	5.2
Claims reserve	14.8	1.7	13.1
Claims incurred	21.1	2.8	18.3

2. Premiums & Claims by Class

• Direct Net Premiums by Class

(Million yen, %)

Class \ FY	1H to Sep 04		1H to Sep 05		FY2004		FY2005 Forecast	
		Change %		Change %		Change %		Change %
Fire	46,642	2.5	52,744	13.1	102,099	5.4	112,700	10.4
Marine	2,556	2.2	2,704	5.8	4,910	2.6	4,900	0.2
Casualty	26,276	3.0	26,442	0.6	50,588	2.0	52,800	4.4
Motor	230,074	2.2	231,598	0.7	457,454	1.4	462,500	1.1
CALI	87,516	0.7	84,469	3.5	174,622	0.2	168,400	3.6
Other	37,712	4.1	36,642	2.8	68,783	2.2	69,900	1.6
TOTAL	430,777	0.3	434,603	0.9	858,458	0.2	871,200	1.5

• Net Premiums by Class

(Million yen, %)

Class \ FY	1H to Sep 04		1H to Sep 05		FY2004		FY2005 Forecast	
		Change %		Change %		Change %		Change %
Fire	41,788	6.0	44,796	7.2	88,591	5.8	96,000	8.4
Marine	2,571	2.8	2,800	8.9	5,368	2.2	5,500	2.4
Casualty	25,270	1.1	25,349	0.3	49,220	0.3	50,800	3.2
Motor	231,437	3.0	233,239	0.8	460,647	2.4	465,400	1.0
CALI	78,574	0.8	76,767	2.3	154,455	0.5	150,300	2.7
Other	36,708	2.9	35,914	2.2	69,524	4.9	66,000	5.1
TOTAL	416,351	0.7	418,868	0.6	827,807	1.1	834,000	0.7

• Net Claims Paid by Class

(Million yen, %)

Class \ FY	1H to Sep 04			1H to Sep 05			FY2004			FY2005 Forecast		
	Loss ratio	Change		Loss ratio	Change		Loss ratio	Change		Loss ratio	Change	
Fire	16,886	42.4	2.3	15,924	37.4	5.0	55,894	65.0	22.6	34,500	37.6	27.4
Marine	1,258	50.9	39.2	1,410	52.4	1.5	2,905	56.1	20.4	3,000	56.4	0.3
Casualty	8,044	35.5	3.7	7,905	34.8	0.7	16,284	36.5	3.9	17,000	36.8	0.3
Motor	126,272	59.2	2.0	123,411	57.4	1.8	263,849	62.0	0.7	266,000	62.0	-
CALI	40,240	56.1	12.8	47,764	67.5	11.4	85,243	60.4	13.3	100,100	71.8	11.4
Other	37,702	106.6	8.9	30,134	87.9	18.7	74,792	111.2	8.7	62,500	98.6	12.6
TOTAL	230,404	59.6	2.1	226,551	58.3	1.3	498,969	64.6	3.8	483,100	62.3	2.3

* NB: Net Loss Ratio (%) = (net claims paid + loss adjusting expenses) ÷ net premium income

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

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

Class \ FY	1H to Sep 04		1H to Sep 05	
		Change %		Change %
Fire	41,788	6.0	44,796	7.2
Marine	2,571	2.8	2,800	8.9
Casualty	25,270	1.1	25,349	0.3
Motor	231,437	3.0	233,239	0.8
CALI	44,480	1.0	43,472	2.3
Other	36,708	2.9	35,914	2.2
TOTAL	382,257	0.8	385,574	0.9

(Million yen, %)

FY2004		FY2005 Forecast	
	Change %		Change %
88,591	5.8	96,000	8.4
5,368	2.2	5,500	2.4
49,220	0.3	50,800	3.2
460,647	2.4	465,400	1.0
87,548	0.7	85,300	2.6
69,524	4.9	66,000	5.1
760,900	1.2	769,000	1.1

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

Class \ FY	1H to Sep 04			1H to Sep 05		
	Loss ratio	Change		Loss ratio	Change	
Fire	16,886	42.4	2.3	15,924	37.4	5.0
Marine	1,258	50.9	39.2	1,410	52.4	1.5
Casualty	8,044	35.5	3.7	7,905	34.8	0.7
Motor	126,272	59.2	2.0	123,411	57.4	1.8
CALI	23,664	61.8	4.0	22,708	61.6	0.2
Other	37,702	106.6	8.9	30,134	87.9	18.7
TOTAL	213,829	60.6	0.7	201,495	56.9	3.7

(Million yen, %)

FY2004		FY2005 Forecast		
	Loss ratio		Loss ratio	Change
55,894	65.0	34,500	37.6	27.4
2,905	56.1	3,000	56.4	0.3
16,284	36.5	17,000	36.8	0.3
263,849	62.0	266,000	62.0	-
46,843	62.7	46,000	63.1	0.4
74,792	111.2	62,500	98.6	12.6
460,569	65.2	429,000	60.5	4.7

* NB: Net Loss Ratio (%) = (net claims paid + loss adjusting expenses) ÷ net premium income

4. Inwards Reinsurance Premiums & Claims by Class

• Net Inwards Reinsurance Premiums by Class

(Million yen, %)

Class \ FY	1H to Sep 04		1H to Sep 05	
		Change %		Change %
Fire	6,578	7.0	4,866	26.0
Marine	728	13.6	852	17.1
Casualty	52	55.9	363	588.9
Motor	4,334	35.5	4,400	1.5
CALI	58,340	0.8	56,985	2.3
Other	4,010	51.1	4,327	7.9
TOTAL	74,045	8.1	71,794	3.0

FY2004		FY2005 Forecast	
	Change %		Change %
12,779	12.1	9,900	22.5
1,706	10.0	1,900	11.3
955	5.3	1,000	4.6
8,827	34.4	7,900	10.5
114,497	0.5	111,300	2.8
8,423	41.6	6,300	25.2
147,190	7.3	138,300	6.0

• Net Inwards Reinsurance Claims by Class

(Million yen, %)

Class \ FY	1H to Sep 04			1H to Sep 05		
		Loss ratio	Change		Loss ratio	Change
Fire	2,503	38.1	60.1	1,841	37.8	0.3
Marine	630	86.6	182.6	897	105.3	18.7
Casualty	41	-	-	156	43.0	-
Motor	3,668	84.6	9.7	2,815	64.0	20.6
CALI	40,240	69.0	17.3	47,764	83.8	14.8
Other	17,296	431.3	200.3	15,057	348.0	83.3
TOTAL	64,298	86.8	7.4	68,532	95.5	8.7

FY2004			FY2005 Forecast		
	Loss ratio	Change		Loss ratio	Change
8,434	66.0	27.9	6,500	65.7	0.3
1,573	92.2	80.2	1,800	94.7	2.5
254	26.6	6.6	400	40.0	13.4
7,138	80.9	11.3	5,800	73.4	7.5
85,243	74.5	18.1	100,100	89.9	15.4
38,386	455.7	157.9	27,400	434.9	20.8
141,030	95.8	10.1	142,000	102.7	6.9

5. Breakdown of Net Operating Expenses

(Million yen, %)

		1H to Sep 04		1H to Sep 05		FY2004		FY2005 Forecast					
		Change %	% of premium	Change %	% of premium	Change %	% of premium	Change %	% of premium				
Loss Adjusting Expenses + Op. Expenses & SG&A	Personnel	46,778	1.9	11.2	46,610	0.4	11.1	93,966	2.2	11.4	93,600	0.4	11.2
	Non-Personnel	34,196	5.3	8.2	35,500	3.8	8.5	74,976	2.9	9.1	76,400	1.9	9.2
	Tax etc.	6,069	4.3	1.5	5,945	2.0	1.4	10,081	3.8	1.2	10,100	0.2	1.2
	Total	87,044	3.4	20.9	88,056	1.2	21.0	179,024	2.6	21.6	180,100	0.6	21.6
U/W-related operating expenses & SGA		65,106	2.8	15.6	66,188	1.7	15.8	135,673	2.1	16.4	136,100	0.3	16.3
Fees & collection expenses		69,152	2.7	16.6	70,654	2.2	16.9	138,783	1.8	16.8	141,800	2.2	17.0
Operating Expenses		134,258	2.8	32.2 (35.1)	136,843	1.9	32.7 (35.5)	274,456	1.9	33.2 (36.1)	277,900	1.3	33.3 (36.1)

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

6. Catastrophe Reserves

(Million yen, %)

FY Class	1H to Sep 04	FY2004	1H to Sep 05		
	(Reserve ratio)	(Reserve ratio)	(Reserve ratio)	HoH	YoY
Fire	67,845 (82.6)	56,358 (64.7)	70,379 (80.1)	2,533	14,021
Marine	3,418 (66.5)	3,509 (65.4)	3,628 (64.8)	210	119
Casualty	27,705 (54.8)	28,415 (57.7)	29,178 (57.6)	1,473	763
Motor	93,305 (20.2)	89,366 (19.4)	102,507 (22.0)	9,202	13,141
Other	15,409 (21.0)	17,160 (24.7)	19,984 (27.8)	4,575	2,824
TOTAL	207,685 (30.8)	194,809 (29.0)	225,679 (33.1)	17,994	30,869

(1H to Sep 05)

Draw-down	Transfer
-	14,021
-	119
-	763
5,319	18,460
553	3,378
5,873	36,742

Ordinary fire transfer ratio: 8.0%

+ Additional reserve ¥10.6bn

Transfer ratio: 7.9%

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

In 1H, calculated on the basis of twice net premiums (excl. dwelling EQ / CALI).

7. Total Assets/Managed Assets

	(Million yen)			
	IH to Sep 04	IH to Sep 05	Change	FY2004
Marketable Securities	1,537,505	1,676,250	138,745	1,585,414
Gvt/corp bonds	596,299	592,582	3,717	610,128
Shares	507,192	601,173	93,981	512,254
Foreign securities	365,782	384,951	19,169	376,032
Other securities	68,230	97,542	29,312	86,999
Loans	342,656	342,419	237	343,015
Land/buildings	143,989	141,290	2,699	143,775
Other	540,250	503,911	36,338	496,908
Total assets	2,564,401	2,663,871	99,469	2,569,113
(o/w managed assets)	2,229,449	2,399,238	169,788	2,248,858

8. Long-Lived Assets

	(Million yen)			
	IH to Sep 04	IH to Sep 05	Change	FY2004
Long-lived assets	707,179	651,580	55,598	678,138

9. Asset Evaluation (Loans)

	(Million yen, %)			
	IH to Sep 04 (Share)	IH to Sep 05 (Share)	Change (Share)	FY2004 (Share)
TOTAL	342,656 (100.0)	342,419 (100.0)	237 (-)	343,015 (100.0)
Total non-classified assets	312,722 (91.3)	326,919 (95.5)	14,196 (4.2)	326,530 (95.2)
Total classified assets	29,934 (8.7)	15,500 (4.5)	14,433 (4.2)	16,485 (4.8)
Class II	19,216 (5.6)	11,030 (3.2)	8,186 (2.4)	11,848 (3.5)
Class III	9,006 (2.6)	4,298 (1.3)	4,708 (1.3)	4,483 (1.3)
Class IV	1,711 (0.5)	171 (0.1)	1,539 (0.4)	152 (0.0)

10. Debt Subject to Risk Control

	(Million yen, %)			
	IH to Sep 04	IH to Sep 05	Change	FY2004
Debts with failed companies	227	18	209	117
Debts overdue	21,693	11,273	10,419	11,497
Debts overdue for more than 3 months	723	336	387	307
Debts with relaxed repayment terms	4,887	275	4,612	246
Total debt subject to risk control	27,532	11,903	15,629	12,169
Loans	342,656	342,419	237	343,015
As a proportion of loans	8.0	3.5	4.5	3.5

11. Marketable Securities

(1) Unrealized profit (loss) on securities

(100mil yen)

	1H to Sep 04	1H to Sep 05	Change
Gvt/corp bonds	22	53	30
Shares	1,723	2,908	1,185
Foreign securities	74	87	161
Other	13	119	105
TOTAL	1,685	3,168	1,483

FY2004
77
2,061
72
41
2,106

NB: Monetary claims purchased are included under 'Other'

(2) Impairment loss on revaluation of securities

(100mil yen)

	1H to Sep 04	1H to Sep 05	Change
Gvt/corp bonds	-	-	-
Shares	13	9	3
Foreign securities	-	-	-
Other	-	-	-
TOTAL	13	9	3

FY2004
0
13
0
-
13

12. Fixed Asset Impairment

(100mil yen)

	1H to Sep 04	1H to Sep 05	Change
Land	50	5	44
Buildings	34	10	23
TOTAL	84	16	68

FY2004
50
34
85

13. Motor Vehicle Theft Loss Data

(100mil yen)

	1H to Sep 04	1H to Sep 05	Change
No. of payments made	3,302	3,327	25
Claims paid	32	30	1
Claims reserve	12	10	2

FY2004
6,909
68
12

Note: Own portion of contracts where Aioi is the lead insurer (direct basis)

14. Impact of Natural Disasters

					(100mil yen)
		1H to Sep 04	1H to Sep 05	Change	FY2004
Direct	Fire	39	8	31	404
	Motor	25	3	22	78
	Other	1	0	1	15
	Claims paid	65	11	54	497
	Claims reserve	242	18	224	40
	Total	307	29	278	537
Net	Fire	37	8	29	261
	Motor	25	3	22	62
	Other	1	0	1	13
	Claims paid	63	11	52	336
	Claims reserve	148	17	131	23
	Total	211	28	183	359
Draw-down on catastrophe reserves		25	3	22	215
Net impact (negative)		186	25	161	144

Note: Claims and reserves associated with major natural disasters that occurred in the current fiscal year are recorded here.

[Impact on net loss ratio]

					(%)
		1H to Sep 04	1H to Sep 05	Change	FY2004
Fire	8.9	1.8	7.1	29.5	
Motor	1.1	0.1	1.0	1.3	
Other	0.3	0.0	0.3	1.8	
Total	1.5	0.3	1.2	4.1	