

FY2004 Earnings Data

1 FY2004 Earnings Summary	.....	P1
2 Premiums & Claims by Class	.....	P2
3 Premiums & Claims by Class (excl. special factors)	.....	P3
4 Inwards Reinsurance Premiums & Claims by Class	.....	P4
5 Breakdown of Net Operating Expenses	.....	P5
6 Catastrophe Reserves	.....	P6
7 Asset Evaluation (Loans)	.....	P6
8 Debts Subject to Risk Control	.....	P6
9 Long-Lived Assets	.....	P6
10 Securities	.....	P7
11 Motor Vehicle Theft Loss Data	.....	P7
12 Impact of Natural Disasters	.....	P8

2005年6月3日

Aioi Insurance Company, Ltd

1. FY2004 Earnings Summary

(Billion yen, %)

	FY2003	FY2004	Change	+/- %
1. Net Premiums	836.5	827.8	(8.7)	- 1.1
(Direct net premiums)	(857.1)	(858.4)	(1.2)	(0.2)
2. Net Claims Paid	471.4	498.9	27.4	5.8
3. Loss Adjusting Expenses	37.1	35.6	(1.5)	- 4.3
4. Net Operating Expenses	279.8	274.4	(5.4)	- 1.9
Operating Balance	48.0	18.7	(29.2)	- 60.9
5. Increase in Reserve	(19.5)	1.4	21.0	
6. Foreign exchange gain (loss)	(10.2)	2.4	12.6	
7. Increase in CALI Reserve	44.2	25.8	(18.4)	
8. Increase in CAT Reserve	9.7	0.5	(9.2)	
Underwriting Profit (Loss)	13.0	(9.9)	(22.9)	-176.1
Asset Management Profit (Loss)	41.5	38.0	(3.5)	
(of which interest/dividend income)	(35.5)	(38.7)	(3.1)	
(of which gain on sale of securities)	(22.0)	(20.8)	(1.1)	
(of which valuation loss on securities)	(0.9)	(1.3)	(0.4)	
Ordinary Profit	45.3	22.3	(22.9)	-50.6
Extraordinary Profits	19.0	17.3	(1.7)	
(Other extraordinary profit)	(15.3)	(15.2)	(0.1)	
Extraordinary Loss	14.0	16.0	2.0	
(Impairment loss)*	(-)	(8.5)	(8.5)	
(Other extraordinary loss)	(4.0)	(3.7)	(0.2)	
Net Profit	27.3	16.1	(11.1)	-41.0

Key Points
Due to Y13.8BN reduction in overseas sales (o/w FR Y8.4BN)
Higher revenues in fire/accident/other casualty +Y23.1BN impact from abolition of the state CALI reinsurance scheme, Catastrophe claims paid +Y32.0BN, overseas sales -Y22.0BN (o/w FR -Y9.8BN)
Overall reduction, including staffing/expenses/commissions
Net increase +8.3BN
Fire reserve Y56.3BN (64.7% of premiums) [Details on P5]
Motor reserve Y89.3BN (19.4% of premiums)

o/w shares Y23.3BN (Y26.9BN last year)
--

Last FY	This FY
FR-related litigation settlement Y13.4BN	FR-related litigation settlement Y10.3BN
Bad debt provision Y1.8BN	Bad debt provision Y4.9BN
Real estate valuation loss Y1.4BN	Valuation loss on subsidiary shares Y3.7BN
Additional early retirement charges Y2.5BN	

* Early adoption of impairment accounting on fixed assets

(Ratios)

Net premium increase ratio	-0.0%	-1.1%	-1.1%
Net loss ratio	60.8%	64.6%	3.8%
Net expense ratio	33.5%	33.2%	-0.3%
Combined ratio	94.3%	97.7%	3.4%
Balance of income/expenditure	5.7%	2.3%	-3.4%

(Ratios [excluding Special Factors])

Net premium increase ratio	-1.9%	-0.1%	1.8%
Net loss ratio	59.9%	61.7%	1.8%
Net expense ratio	36.9%	36.2%	-0.7%
Combined ratio	96.8%	97.9%	1.1%
Balance of income/expenditure	3.2%	2.1%	-1.1%

■ Financial position

	FY2003	FY2004
Total assets	2,597.8	2,569.1
Equity capital	446.8	452.0
Catastrophe reserves	194.2	194.8
Solvency margin	910.1%	951.9%

■ Natural Disasters [Details on P8]

	Direct	Net	Claims paid		Claims reserve
			Claims paid	Claims reserve	
Fire/casualty	45.7	29.6	27.4	2.2	
Motor	8.0	6.3	6.2	0.1	
Total	53.7	35.9	33.6	2.3	

2. Premiums & Claims by Class

•Direct Net Premiums by Class

(Million yen, %)

Class \ FY	FY2002		FY2003		FY2004		FY2005 Forecast	
		Change %		Change %		Change %		Change %
Fire	92,817	(0.8)	96,824	4.3	102,099	5.4	107,000	4.8
Marine	4,991	(0.6)	5,039	1.0	4,910	(2.6)	4,900	(0.2)
P.A.	50,081	(3.8)	49,619	(0.9)	50,588	2.0	54,000	6.7
Motor	476,841	(0.9)	464,177	(2.7)	457,454	(1.4)	465,300	1.7
CALI	170,681	20.9	174,213	2.1	174,622	0.2	169,000	(3.2)
Other	69,164	4.2	67,292	(2.7)	68,783	2.2	71,300	3.7
TOTAL	864,579	3.0	857,167	(0.9)	858,458	0.2	871,500	1.5

•Net Premiums by Class

(Million yen, %)

Class \ FY	FY2002		FY2003		FY2004		FY2005 Forecast	
		Change %		Change %		Change %		Change %
Fire	81,042	(11.0)	83,737	3.3	88,591	5.8	93,300	5.3
Marine	5,224	(2.2)	5,251	0.5	5,368	2.2	5,400	0.6
P.A.	49,887	(3.8)	49,090	(1.6)	49,220	0.3	52,000	5.6
Motor	490,025	0.4	471,792	(3.7)	460,647	(2.4)	468,200	1.6
CALI	131,531	67.5	153,634	16.8	154,455	0.5	151,300	(2.0)
Other	79,128	26.8	73,089	(7.6)	69,524	(4.9)	67,800	(2.5)
TOTAL	836,841	7.7	836,596	(0.0)	827,807	(1.1)	838,000	1.2

•Net Claims Paid by Class

(Million yen, %)

Class \ FY	FY2002			FY2003			FY2004			FY2005 Forecast		
		Loss ratio	Change		Loss ratio	Change		Loss ratio	Change		Loss ratio	Change
Fire	37,188	48.2	(38.6)	34,182	42.4	(5.8)	55,894	65.0	22.6	34,000	38.3	(26.7)
Marine	2,711	55.0	(22.3)	3,896	76.5	21.5	2,905	56.1	(20.4)	3,000	57.6	1.5
P.A.	18,767	42.8	(0.9)	17,790	40.4	(2.4)	16,284	36.5	(3.9)	17,600	37.1	0.6
Motor	273,352	60.4	(3.1)	266,689	61.3	0.9	263,849	62.0	0.7	269,800	62.3	0.3
CALI	51,236	45.0	(28.6)	64,304	47.1	2.1	85,243	60.4	13.3	100,500	71.9	11.5
Other	80,400	106.1	31.3	84,622	119.9	13.8	74,792	111.2	(8.7)	62,100	95.4	(15.8)
TOTAL	463,655	60.1	(6.9)	471,486	60.8	0.7	498,969	64.6	3.8	487,000	62.4	(2.2)

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

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

Excludes the impact of abolition of the state CALI reinsurance scheme and Fortress Re

•Net Premiums by Class

(Million yen, %)

Class \ FY	FY2003		FY2004	
		Change %		Change %
Fire	83,737	3.3	88,591	5.8
Marine	5,251	0.5	5,368	2.2
P.A.	49,090	(1.6)	49,220	0.3
Motor	471,792	(3.7)	460,647	(2.4)
CALI	86,942	4.5	87,548	0.7
Other	61,389	(3.9)	66,314	8.0
TOTAL	758,204	(1.9)	757,690	(0.1)

•Net Claims Paid by Class

(Million yen, %)

Class \ FY	FY2003			FY2004		
		Loss ratio	Change		Loss ratio	Change
Fire	34,182	42.4	(5.8)	55,894	65.0	22.6
Marine	3,896	76.5	21.5	2,905	56.1	(20.4)
P.A.	17,790	40.4	(2.4)	16,284	36.5	(3.9)
Motor	266,689	61.3	0.9	263,849	62.0	0.7
CALI	49,077	65.7	(4.8)	46,843	62.7	(3.0)
Other	45,712	79.4	4.7	45,756	72.8	(6.6)
TOTAL	417,350	59.9	(0.3)	431,533	61.7	1.8

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

Excludes only the impact of abolition of the state CALI reinsurance

•Net Premiums by Class

(Million yen, %)

Class \ FY	FY2004	FY2005 Forecast	Change %
	Fire	88,591	93,300	5.3
Marine	5,368	5,400	0.6
P.A.	49,220	52,000	5.6
Motor	460,647	468,200	1.6
CALI	87,548	85,300	(2.6)
Other	69,524	67,800	(2.5)
TOTAL	760,900	772,000	1.5

•Net Claims Paid by Class

(Million yen, %)

Class \ FY	FY2004		FY2005 Forecast	
		Loss ratio		Change
Fire	55,894	65.0	34,000	38.3 (26.7)
Marine	2,905	56.1	3,000	57.6 1.5
P.A.	16,284	36.5	17,600	37.1 0.6
Motor	263,849	62.0	269,800	62.3 0.3
CALI	46,843	62.7	46,200	63.8 1.1
Other	74,792	111.2	62,100	95.4 (15.8)
TOTAL	460,569	65.2	432,700	60.8 (4.4)

4. Inwards Reinsurance Premiums & Claims by Class

•Net Inwards Reinsurance Premiums by Class

(Million yen, %)

Class \ FY	FY2002		FY2003		FY2004	
		Change %		Change %		Change %
Fire	14,710	(35.6)	14,533	(1.2)	12,779	(12.1)
Marine	1,490	(12.6)	1,551	4.0	1,706	10.0
P.A.	289	(61.5)	907	213.7	955	5.3
Motor	19,234	32.2	13,460	(30.0)	8,827	(34.4)
CALI	92,855	147.1	113,937	22.7	114,497	0.5
Other	31,994	215.4	14,418	(54.9)	8,423	(41.6)
TOTAL	160,575	83.3	158,808	(1.1)	147,190	(7.3)

FY2005 Forecast	
	Change %
10,500	(17.8)
1,700	(0.4)
900	(5.8)
8,000	(9.4)
112,200	(2.0)
7,400	(12.2)
140,700	(4.4)

•Net Inwards Reinsurance Claims by Class

(Million yen, %)

Class \ FY	FY2002			FY2003			FY2004		
		Loss ratio	Change		Loss ratio	Change		Loss ratio	Change
Fire	16,702	113.5	(127.8)	13,652	93.9	(19.6)	8,434	66.0	(27.9)
Marine	1,483	99.5	(7.5)	2,673	172.4	72.9	1,573	92.2	(80.2)
P.A.	294	101.9	79.8	181	20.0	(81.9)	254	26.6	6.6
Motor	12,966	67.4	(4.2)	12,407	92.2	24.8	7,138	80.9	(11.3)
CALI	51,236	55.2	(76.1)	64,304	56.4	1.2	85,243	74.5	18.1
Other	40,558	126.8	87.7	42,937	297.8	171.0	38,386	455.7	157.9
TOTAL	123,242	76.8	(61.2)	136,156	85.7	8.9	141,030	95.8	10.1

FY2005 Forecast		
	Loss ratio	Change
5,700	54.3	(11.7)
1,600	94.1	1.9
400	44.4	17.8
5,700	71.3	(9.6)
100,500	89.6	15.1
26,500	358.1	(97.6)
140,400	99.8	4.0

5. Breakdown of Net Operating Expenses

(Million yen, %)

		FY2002			FY2003			FY2004			FY2005 Forecast		
			Change %	% of Premium		Change %	% of Premium		Change %	% of Premium		Change %	% of Premium
Loss Adjusting +	Personnel	102,543	(1.6)	12.3	96,036	(6.3)	11.5	93,966	(2.2)	11.4	93,700	(0.3)	11.2
	Non-Personnel	80,708	(3.6)	9.6	77,197	(4.3)	9.2	74,976	(2.9)	9.1	76,300	1.8	9.1
Op. Expenses & SG&A	Tax etc.	10,813	(4.4)	1.3	10,477	(3.1)	1.3	10,081	(3.8)	1.2	10,200	1.2	1.2
	Total	194,065	(2.6)	23.2	183,711	(5.3)	22.0	179,024	(2.6)	21.6	180,200	0.7	21.5
Operating expenses & SGA associated with underwriting		146,539	(2.5)	17.5	138,602	(5.4)	16.6	135,673	(2.1)	16.4	136,100	0.3	16.2
Fees & collection expenses		148,746	(2.4)	17.8	141,255	(5.0)	16.9	138,783	(1.8)	16.8	140,800	1.5	16.8
Operating Expenses		295,286	(2.4)	35.3	279,858	(5.2)	33.5	274,456	(1.9)	33.2	276,900	0.9	33.0
		(293,316)	(0.9)	(37.9)	(279,516)	(4.7)	(36.9)	(274,355)	(1.8)	(36.2)			

NB: Figures in brackets exclude Special Factors (abolition of state CALI reinsurance & Fortress Re related impact)

Excludes only the impact of abolition of the state CALI reinsurance scheme
 FY2005 Est 35.9%
 FY2004 36.1%

6. Catastrophe Reserves

(Million yen, %)

FY Class	FY2002		FY2003		FY2004	
	(Reserve ratio)	Change	(Reserve ratio)	Change	(Reserve ratio)	Change
Fire	61,359 (77.0)	2,283	65,587 (79.7)	4,228	56,358 (64.7)	(9,229)
Marine	3,941 (75.4)	166	3,370 (64.2)	(570)	3,509 (65.4)	138
P.A.	25,549 (51.2)	(35)	26,969 (54.9)	1,420	28,415 (57.7)	1,445
Motor	78,889 (16.1)	11,661	84,240 (17.9)	5,350	89,366 (19.4)	5,126
Other	14,695 (18.6)	(2,153)	14,056 (19.2)	(638)	17,160 (24.7)	3,103
TOTAL	184,435 (26.2)	11,922	194,225 (28.5)	9,790	194,809 (29.0)	583

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

Breakdown of transfer/draw-down in FY2004

Draw-down	Transfer
14,052	4,822
37	176
-	1,445
31,556	36,682
2,249	5,353
47,896	48,480

[Draw-down for CAT payments]
Y21.5BN

[Transfer ratios]
 Fire 5.6%
 (Ord. fire 5.8%)
 Motor 7.9%

7. Asset Evaluation (Loans)

(Million yen, %)

	FY2003 (Share)	FY2004 (Share)	Change (Share)
TOTAL	352,977 (100.0)	343,015 (100.0)	(9,962) (-)
Total non-classified assets	324,433 (91.9)	326,530 (95.2)	2,096 (+3.3)
Total classified assets	28,544 (8.1)	16,485 (4.8)	(12,058) ((3.3))
Class II	18,438 (5.2)	11,848 (3.5)	(6,590) ((1.7))
Class III	8,641 (2.4)	4,483 (1.3)	(4,157) ((1.1))
Class IV	1,463 (0.4)	152 (0.0)	(1,310) ((0.4))

8. Debt Subject to Risk Control

(Million yen, %)

	FY2003	FY2004	Change
Total debt subject to risk control	24,627	12,169	(12,458)
Debts with failed companies	158	117	(40)
Debts overdue	18,314	11,497	(6,817)
Debts overdue for more than 3 months	642	307	(334)
Loans with eased conditions	5,512	246	(5,266)
Loans	352,977	343,015	(9,962)
As a proportion of loans	7.0	3.5	(3.5)

9. Long-Lived Assets

(Million yen)

	FY2003	FY2004	Change
Long-lived assets	732,168	678,138	(54,029)

10. Securities

(1) Unrealised profit (loss) on securities

(Billion yen)

	FY2003	FY2004	Change
Gvt/corp bonds	3.6	7.7	4.0
Shares	223.8	206.1	(17.7)
Foreign securities	(14.9)	(7.2)	7.6
Other	5.7	4.1	(1.6)
TOTAL	218.3	210.6	(7.7)

NB: Monetary receivables purchased are included under 'Other'

(2) Impairment loss on revaluation of securities

(Billion yen)

	FY2003	FY2004	Change
Gvt/corp bonds	-	0	0
Shares	0.8	1.3	0.5
Foreign securities	0	0	0
Other	-	-	-
TOTAL	0.9	1.3	0.4

11. Motor Vehicle Theft Loss Data

(Billion yen)

	FY2003	FY2004	Change
Number of Payments	7,379	6,909	(470)
Claims paid	6.9	6.8	(0.1)
Claims reserve	1.1	1.2	0

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

12. Impact of Natural Disasters

(Billion yen)

		FY2003	FY2004	Change
Direct	Fire	1.4	40.4	39.0
	Motor	0.5	7.8	7.3
	Other	0.1	1.5	1.4
	Claims paid	2.0	49.7	47.7
	Claims reserve	0.0	4.0	4.0
	Total	2.0	53.7	51.7
Reinsurance	Fire	0.4	14.3	13.9
	Motor	0.0	1.6	1.6
	Other	0.0	0.2	0.2
	Claims recovered	0.4	16.1	15.7
	Reserves recovered	0.0	1.7	1.7
	Total	0.4	17.8	17.4
Net	Fire	1.0	26.1	25.1
	Motor	0.5	6.2	5.7
	Other	0.1	1.3	1.2
	Claims paid	1.6	33.6	32.0
	Claims reserve	0.0	2.3	2.3
	Total	1.6	35.9	34.3
Draw-down on catastrophe reserves		0.5	21.5	21.0
Net impact (negative)		1.1	14.4	13.3

[Impact on the net loss ratio]

(Unit: %)

	FY2003	FY2004	Change
Fire	1.2	29.5	28.3
Motor	0.1	1.3	1.2
Other	0.2	1.8	1.6
Total	0.2	4.1	3.9