

[Translation of unaudited Japanese GAAP summary of financial statements for the six months ended September 30, 2009]

## SUMMARY OF FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED September 30, 2009

November 19, 2009

Name of Listed Company:	Aioi Insurance Co., Ltd.
Securities Code No.:	8761
Stock Exchanges:	Tokyo, Osaka, Nagoya
URL:	http://www.ioi-sonpo.co.jp
Representative:	Tadashi Kodama, President
Contact:	Hidenobu Goh, Chief of Accounting Group, Accounting Department
	Telephone: (03)5424-0101
Date of filing of Quarterly Financial Report:	November 26, 2009
Date of payment of interim dividends:	-

(Note) Amounts are truncated and percentages are rounded.

### 1. Consolidated Business Results for the six months ended September 30, 2009 (April 1, 2009 to September 30, 2009)

#### (1) Results of Consolidated Operations

(Percent figures represent changes in comparison with the corresponding period of preceding fiscal year.)

	Ordinary income		Ordinary profit		Net income	
	Yen in millions	%	Yen in millions	%	Yen in millions	%
Six months period ended September 30, 2009	518,975	(3.4)	27,697	141.4	17,152	197.9
Six months period ended September 30, 2008	537,275	(5.5)	11,473	11.7	5,757	(43.7)

	Net income per share	Net income per share –Diluted
	Yen	Yen
Six months period ended September 30, 2009	23.36	23.35
Six months period ended September 30, 2008	7.83	7.83

#### (2) Consolidated Financial Conditions

	Total assets	Net assets	Equity ratio	Net assets per share
	Yen in millions	Yen in millions	%	Yen
As of September 30, 2009	2,848,879	334,057	11.7	454.60
As of March 31, 2009	2,804,162	266,868	9.5	363.24

(Note) Capital as of September 30, 2009 was 333,740 million yen and as of March 31, 2009 was 266,670 million yen.

### 2. Dividends

( Record Date )	Dividend per share				
	1Q	2Q	3Q	Year end	Annual
	Yen	Yen	Yen	Yen	Yen
March 31, 2009	-	-	-	10.00	10.00
March 31, 2010	-	-	-	-	-
March 31, 2010 (Forecast)	-	-	-	10.00	10.00

(Note) Revision of the dividend per share forecast during the second quarter of the fiscal year ending March 31, 2010: None

### 3. Forecast for the current period (April 1, 2009 to March 31, 2010)-Consolidated

(Percent figures represent changes in comparison with the corresponding period of preceding fiscal year.)

	Ordinary income		Ordinary profit		Net income		Net income per share
	Yen in millions	%	Yen in millions	%	Yen in millions	%	Yen
Annual Period ending March 31, 2010	1,030,000	(4.2)	31,000	-	16,000	-	21.79

(Note) Revision of the earnings forecasts during the second quarter of the fiscal year ending March 31, 2010: None

#### 4. Other information

(1) There were no significant changes in scope of consolidation during the period.

(2) Changes in accounting principle, procedure and presentation preparing the interim consolidated financial statements:

1. There were no changes due to the revision of an accounting standard.
2. There were no changes due to items other than those stated above.

(3) The number of shares outstanding (Common stock)

1. The number of shares outstanding (including treasury stock)
 

As of September 30, 2009:	756,201,411 shares
As of March 31, 2009:	756,201,411 shares
2. The number of treasury shares
 

As of September 30, 2009:	22,071,737 shares
As of March 31, 2009:	22,067,931 shares
3. The average number of shares outstanding
 

For the six months ended September 30, 2009:	734,139,479 shares
For the six months ended September 30, 2008:	734,431,328 shares

#### (Summary of Non-Consolidated Financial Results)

##### 1. Non-Consolidated Business Results for the six months ended September 30, 2009 (April 1, 2009 to September 30, 2009)

(1) Results of Non-Consolidated Operations

(Percent figures represent changes in comparison with the corresponding period of preceding fiscal year.)

	Net premiums written		Ordinary profit		Net income	
	Yen in millions	%	Yen in millions	%	Yen in millions	%
Six months period ended September 30, 2009	397,899	(4.8)	27,647	107.9	16,858	155.7
Six months period ended September 30, 2008	418,044	(2.5)	13,296	(35.5)	6,593	(62.9)

	Net income per share
	Yen
Six months period ended September 30, 2009	22.96
Six months period ended September 30, 2008	8.97

(2) Non-Consolidated Financial Conditions

	Total assets	Net assets	Equity ratio	Net assets per share
	Yen in millions	Yen in millions	%	Yen
As of September 30, 2009	2,435,918	356,978	14.6	486.05
As of March 31, 2009	2,419,760	291,727	12.1	397.23

(Note) Capital as of September 30, 2009 was 356,830 million yen and as of March 31, 2009 was 291,623 million yen.

##### 2. Forecast for the current period (April 1, 2009 to March 31, 2010)-Non-Consolidated

(Percent figures represent changes in comparison with the corresponding period of preceding fiscal year.)

	Net premiums written		Ordinary profit		Net income		Net income per share
	Yen in millions	%	Yen in millions	%	Yen in millions	%	Yen
Annual Period ending March 31, 2010	803,000	(1.7)	33,000	-	18,000	-	24.51

※Explanations regarding the proper use of the financial forecasts, and other notes:

1. The above-mentioned consolidated and non-consolidated financial forecasts were based upon currently available information as of the release date of this document.

Therefore, actual results may differ from the forecasts due to various reasons.

As for the preconditions of the financial forecasts and other relevant information, see the section of *Qualitative information, financial information and Other Information*, “3. Qualitative information related to the consolidated and non-consolidated financial forecasts” on page 4.

2. Aioi Insurance Co., Ltd. (“Aioi”) has prepared its interim consolidated and non-consolidated financial statements for the second quarter as Aioi falls under the category of Specified Business Corporation (Tokutei Jigyo Gaisha: a company that is engaged in the businesses set forth in Article 17-15-2 of the Cabinet Office Ordinance on Disclosure of Corporate Information etc.).

## 【Qualitative Information, Financial Statements and Other Information】

### 1. Qualitative information related to the consolidated statements of operations

The Japanese economy continued to face severe conditions where operating results of enterprises were deteriorating and capital expenditures decreased drastically due to the global economic slowdown for the second quarter ended September 30, 2009. Individual consumption did not improve due to the deterioration of employment as well as uncertainties related to the future state of the economy. The business environment continues to be stagnant although there were certain indications of recoveries in the Japanese economy due to improvements in excess inventory levels and execution of large-scale measures to stimulate the economy.

Under such circumstances, our group has continued to develop our business aiming at being an insurance group which continues steady growth by achieving the best quality and high profitability based primarily on support from all stakeholders.

Results of operations, by operating segment, were as follows.

#### a. Non-life insurance business

The business environment surrounding the non-life insurance industry, which is the main business of our group, continues to be adversely affected by the declining population of children and growing population of elderly people, stagnant auto sales and decreases in housing development, etc.

In such an environment, the Company has focused on sales to existing customers by working with agencies and broker dealers to improve customer satisfaction and sales. These efforts are proving to be successful as evidenced by the steady growth in the number of customers who continue their automobile insurance coverage with us. In addition, within our primary line of business, the Company has promoted the sale of eco-friendly automobile insurance products based on the "Aioi environmental declaration" released in April 2009. The Company is offering incentives to the customers who are making contributions to environmental improvement; for example, we sell automobile coverage which incorporates a 15% discount if the vehicle is a "Prius (model: ZVW30)" which was launched by Toyota Motor Corporation in May 2009.

Regarding automobile insurance, the Company is planning to expand discounts and improve systems simplification for age qualification so as to make the insurance product more customer-friendly starting in October 2009. To achieve that aim, the Company is focusing on improving customer satisfaction and sales by starting to train agencies and broker dealers beginning June 2009.

In our overseas markets, Aioi Motor and General Insurance Company of Europe Limited ("AMaGIC") has been strengthening the business infrastructure for expanding insurance premium revenues and profits by working on "F&I business", which is an integrated service which includes finance and automobile insurance for customers of Toyota Motor Corporation. This is a joint effort with Toyota Financial Service Corporation, which is a financing subsidiary of Toyota Motor Corporation.

As a result, the net premiums written decreased by 5.1% to ¥408.6 billion as compared to the prior-year's second quarter. Ordinary income and ordinary profit were ¥496.9 billion and ¥25.8 billion, respectively.

#### b. Life insurance business

In addition to the continuous strong sales of "Just One W", which is a product that provides for income security during a customer's life and provides monthly death benefits to beneficiaries in a worst case scenario, during June 2009, Aioi Life Insurance Co., Ltd. started sales of "Luna medical" which offers complete synthetic medical care and responds to broad needs of the female. Luna medical combines a variable-interest rate type life insurance policy with a comprehensive women's medical rider. Luna medical's rider is non-refundable on cancellation.

"Luna medical" compensates for cancer and other diseases particular to women. Aioi Life Insurance Co., Ltd. is supporting "Beauty support for women to hold onto their individualities during medical treatment of cancers" activity by making a donation to a not-for-profit organization named "Cancer Ribbonz". The donation is based on the number of "Luna medical" contracts issued.

In our overseas markets, Aioi Life Insurance of Europe AG, which is a subsidiary of AMaGIC, sells credit life insurance to customers who utilize auto loans for their purchase of a car manufactured by Toyota Motor Corporation.

As a result, life insurance premiums increased by 2.0% to ¥36.9 billion as compared to the prior-year's second quarter. Ordinary income and ordinary profits were ¥41.6 billion and ¥1.8 billion, respectively.

As a result, ordinary income for the second quarter was ¥518.9 billion which was a decrease of ¥18.2 billion or 3.4% compared with the prior-year's second quarter.

Ordinary profits were ¥27.6 billion which is an increase of ¥16.2 billion or 141.4% compared with the prior-year's second quarter. Net income for the current quarter, which is calculated by adjusting extraordinary gains and losses, income taxes and minority interest to ordinary profit, was ¥17.1 billion which is an increase of ¥11.3 billion compared with the prior year's second quarter.

2. Qualitative information related to the consolidated financial conditions

Total assets at the end of this second quarter was ¥2,848.8 billion which is an increase of ¥44.7 billion compared with total assets at the end of previous fiscal year. Net assets were ¥334.0 billion, and as a result, the equity ratio was 11.7%.

3. Qualitative information related to the consolidated and non-consolidated financial forecasts

Regarding the consolidated financial forecasts, the Company expects ¥1,030 billion of ordinary income, ¥31 billion of ordinary profit, and ¥16 billion of net income for the year ending March 31, 2010 as described on page 1.

Regarding the non-consolidated financial forecasts, the Company expects ¥803 billion of net premiums written, ¥33 billion of ordinary profit, and ¥18 billion of net income for the year ending March 31, 2010 as described on page 2.

Main precondition regarding those financial forecasts is as follows.

- The net premiums written in ordinary income is based on the Company's estimate that considers the past business results and other factors.
- As for the net claims for this financial period that are related to natural catastrophes, the Company expects ¥6 billion when considering results to date.
- Estimates regarding investments are calculated on the assumption that the market rate of interest, the exchange rate, and the market price of stock will not change significantly from the end of September 2009.

Although the Company's consolidated and non-consolidated financial forecasts are based on the above-mentioned preconditions, the actual financial results may differ significantly from those forecasts.

4. Others

- (1) There were no changes in the scope of significant subsidiaries during the period (Changes in "Specified Subsidiaries" resulting in changes in scope of consolidation).
- (2) There were no changes in accounting policies, procedures and the presentation used for the preparation of the interim consolidated financial statements.

## 5. SUMMARY OF CONSOLIDATED FINANCIAL STATEMENTS under JGAAP

### (1) CONSOLIDATED BALANCE SHEETS

Aioi Insurance Company, Limited and consolidated subsidiaries  
September 30, 2009 and March 31, 2009

(Yen in Millions)

	As of September 30, 2009 Amount	As of March 31, 2009 Amount
<b>ASSETS:</b>		
Cash deposits and savings	196,484	175,202
Receivables under resale agreements	6,198	3,298
Monetary claims bought	16,685	19,535
Money held in trust	5,212	6,718
Investments in securities	1,721,371	1,642,053
Loans	351,808	360,819
Property and equipment – net	150,585	150,333
Intangible assets	8,761	9,045
Other assets	233,239	240,800
Deferred tax assets	158,032	195,635
Customers' liabilities for acceptances and guarantees	3,000	3,000
Allowance for doubtful accounts	(2,501)	(2,280)
<b>Total assets</b>	<b>2,848,879</b>	<b>2,804,162</b>
<b>LIABILITIES:</b>		
Underwriting funds:	2,366,395	2,368,818
Outstanding claims	308,566	313,809
Underwriting reserves	2,057,828	2,055,008
Other liabilities	117,923	138,870
Liability for employees' retirement benefits	21,397	20,111
Liability for directors' retirement benefits	62	51
Bonus allowance	4,425	4,712
Reserve under the special law:	1,618	1,729
Price fluctuation reserve	1,618	1,729
Acceptances and guarantees	3,000	3,000
<b>Total liabilities</b>	<b>2,514,822</b>	<b>2,537,293</b>
<b>NET ASSETS:</b>		
Shareholders' equity:		
Common stock	100,005	100,005
Capital surplus	44,097	44,092
Retained earnings	177,206	167,394
Treasury stock	(7,950)	(7,946)
<b>Total shareholders' equity</b>	<b>313,357</b>	<b>303,545</b>
Valuation and translation adjustments:		
Net unrealized gains (losses) on available-for-sale securities	22,592	(33,506)
Foreign currency translation adjustments	(2,209)	(3,368)
<b>Total valuation and translation adjustments</b>	<b>20,383</b>	<b>(36,875)</b>
Stock acquisition rights	147	104
Minority interests	168	93
<b>Total net assets</b>	<b>334,057</b>	<b>266,868</b>
<b>Total liabilities and net assets</b>	<b>2,848,879</b>	<b>2,804,162</b>

**(2) CONSOLIDATED STATEMENTS OF INCOME**Aioi Insurance Company, Limited and consolidated subsidiaries  
September 30, 2008 and September 30, 2009

(Yen in Millions)

	Six months ended September 30, 2008 Amount	Six months ended September 30, 2009 Amount
<b>ORDINARY INCOME</b>	<b>537,275</b>	<b>518,975</b>
<b>Underwriting income</b>	<b>507,068</b>	<b>485,378</b>
Net premiums written	430,476	408,633
Deposit premiums from policyholders	27,065	23,995
Investment income on deposit premiums from policyholders	11,165	9,400
Life insurance premiums	36,203	36,905
Reversal of outstanding claims	739	6,186
<b>Investment income</b>	<b>28,530</b>	<b>31,266</b>
Interest and dividends received	27,468	29,054
Investment gains on money held in trust	22	661
Gains on trading securities	4	-
Gains on sales of securities	12,159	3,528
Gains on derivative transactions	-	7,137
Transfer of investment income on deposit premiums from policyholders	(11,165)	(9,400)
<b>Other income</b>	<b>1,675</b>	<b>2,330</b>
<b>ORDINARY EXPENSES</b>	<b>525,801</b>	<b>491,277</b>
<b>Underwriting expenses</b>	<b>431,550</b>	<b>401,956</b>
Net claims paid	246,362	242,928
Loss adjustment expenses	19,112	24,877
Commissions and collection expenses	81,985	77,331
Maturity refunds to policyholders	43,153	43,926
Life insurance claims	6,375	7,824
Provision for underwriting reserves	33,876	2,270
<b>Investment expenses</b>	<b>14,624</b>	<b>6,734</b>
Losses on sales of securities	1,451	1,857
Losses on devaluation of securities	5,665	3,319
Losses on derivative transactions	6,167	-
<b>Operating expenses and general and administrative expenses</b>	<b>79,214</b>	<b>81,635</b>
<b>Other expenses</b>	<b>411</b>	<b>950</b>
Interest cost	27	20
<b>Total ordinary profit</b>	<b>11,473</b>	<b>27,697</b>
<b>Extraordinary income</b>	<b>507</b>	<b>1,403</b>
Reversal of reserves under the special laws	-	111
Reversal of price fluctuation reserve	-	111
Other	507	1,292
<b>Extraordinary losses</b>	<b>837</b>	<b>2,142</b>
Provision for reserves under the special laws	333	-
Provision for price fluctuation reserve	333	-
Other	504	2,142
<b>Income before income taxes</b>	<b>11,143</b>	<b>26,957</b>
<b>INCOME TAXES</b>		
Current	5,239	3,810
Deferred	187	5,925
<b>Total income taxes</b>		<b>9,736</b>
<b>MINORITY INTERESTS IN NET INCOME (LOSS)</b>	<b>(41)</b>	<b>69</b>
<b>NET INCOME</b>	<b>5,757</b>	<b>17,152</b>

**(3) CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS**

Aioi Insurance Company, Limited and consolidated subsidiaries

September 30, 2008 and September 30, 2009

(Yen in Millions)

	Six months ended September 30, 2008 Amount	Six months ended September 30, 2009 Amount
<b>Shareholders' equity</b>		
<b>Common stock</b>		
Balance at the end of previous fiscal year	100,005	100,005
Changes for the interim financial period		
Total changes for the interim financial period	-	-
Ending balance as of September 30, 2009	100,005	100,005
<b>Capital surplus</b>		
Balance at the end of previous fiscal year	44,088	44,092
Changes for the interim financial period:		
Retirement of treasury stock	2	4
Total changes for the interim financial period	2	4
Ending balance as of September 30, 2009	44,090	44,097
<b>Retained earnings</b>		
Balance at the end of previous fiscal year	185,836	167,394
Decrease due to change of accounting policies in a foreign subsidiary	(153)	-
Changes for the interim financial period:		
Dividends paid	(7,344)	(7,341)
Net income	5,757	17,152
Total changes for the interim financial period	(1,586)	9,811
Ending balance as of September 30, 2009	184,096	177,206
<b>Treasury stock</b>		
Balance at the end of previous fiscal year	(7,800)	(7,946)
Changes for the interim financial period:		
Repurchase of treasury stock	(32)	(12)
Retirement of treasury stock	3	8
Total changes for the interim financial period	(28)	(3)
Ending balance as of September 30, 2009	(7,829)	(7,950)
<b>Total Shareholders' equity</b>		
Balance at the end of previous fiscal year	322,128	303,545
Decrease due to change of accounting policies in a foreign subsidiary	(153)	-
Changes for the interim financial period:		
Dividends paid	(7,344)	(7,341)
Net income	5,757	17,152
Repurchase of treasury stock	(32)	(12)
Retirement of treasury stock	5	13
Total changes for the interim financial period	(1,613)	9,811
Ending balance as of September 30, 2009	320,362	313,357
<b>Valuation and translation adjustments</b>		
<b>Net unrealized gains (losses) on available-for-sale securities</b>		
Balance at the end of previous fiscal year	99,129	(33,506)
Changes for the interim financial period:		
Net changes of items other than Shareholders' equity	(62,086)	56,098
Total changes for the interim financial period	(62,086)	56,098
Ending balance as of September 30, 2009	37,043	22,592
<b>Translation adjustments</b>		
Balance at the end of previous fiscal year	927	(3,368)
Changes for the interim financial period:		
Net changes of items other than Shareholders' equity	80	1,159
Total changes for the interim financial period	80	1,159
Ending balance as of September 30, 2009	1,007	(2,209)

(Yen in Millions)

	Six months ended September 30, 2008 Amount	Six months ended September 30, 2009 Amount
<b>Total valuation and translation adjustments</b>		
Balance at the end of fiscal year	100,056	(36,875)
Changes for the interim financial period:		
Net changes of items other than Shareholders' equity	(62,005)	57,258
Total changes for the interim financial period	(62,005)	57,258
Ending balance as of September 30, 2009	38,050	20,383
<b>Stock acquisition rights</b>		
Balance at the end of fiscal year	-	104
Changes for the interim financial period:		
Net changes of items other than Shareholders' equity	38	43
Total changes for the interim financial period	38	43
Ending balance as of September 30, 2009	38	147
<b>Minority interests</b>		
Balance at the end of fiscal year	207	93
Changes for the interim financial period:		
Net changes of items other than Shareholders' equity	(41)	74
Total changes for the interim financial period	(41)	74
Ending balance as of September 30, 2009	165	168
<b>Total net assets</b>		
Balance at the end of fiscal year	422,392	266,868
Decrease due to change of accounting policies in a foreign subsidiary	(153)	-
Changes for the interim financial period:		
Dividend paid	(7,344)	(7,341)
Net income	5,757	17,152
Repurchase of treasury stock	(32)	(12)
Retirement of treasury stock	5	13
Net changes of items other than Shareholders' equity	(62,008)	57,376
Total changes for the interim financial period	(63,621)	67,188
Ending balance as of September 30, 2009	358,617	334,057



**(4) CONSOLIDATED STATEMENTS OF CASH FLOWS**

Aioi Insurance Company, Limited and consolidated subsidiaries

September 30, 2008 and September 30, 2009

(Yen in Millions)

	Six months ended September 30, 2008 Amount	Six months ended September 30, 2009 Amount
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Income before income taxes and minority interests	11,143	26,957
Depreciation and amortization	5,845	5,901
Impairment losses on fixed assets	139	147
Increase (decrease) in outstanding claims	(739)	(6,186)
Increase (decrease) in underwriting reserves	33,876	2,270
Increase (decrease) in bad debt reserve	(527)	188
Increase (decrease) in reserve for pension and retirement benefits	492	1,285
Increase (decrease) in reserve for retirement benefits for officers	(1,191)	11
Increase (decrease) in accrued bonuses for employees	(249)	(287)
Increase (decrease) in reserve for price fluctuation	333	(111)
Interest and dividends income	(27,468)	(29,054)
Investment related losses (gains)	(5,049)	1,834
Interest expenses	27	20
Foreign exchange losses (gains)	(0)	(197)
Losses (gains) on disposal of tangible fixed assets	(141)	(77)
Decrease in other assets (except for assets regarding investing activities and financing activities)	430	6,865
Increase (decrease) in other liabilities (except for liabilities regarding investing activities and financing activities)	(23,739)	(9,392)
Other, net	7,356	(5,797)
<b>Sub total</b>	<b>535</b>	<b>(5,622)</b>
Interest and dividends received	26,861	28,566
Interest paid	(27)	(20)
Income taxes paid	5,572	(812)
<b>Net cash provided by operating activities</b>	<b>32,942</b>	<b>22,112</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Net increase in deposits and savings	(2,450)	9,657
Purchase of monetary claims	(10)	-
Proceeds from sales or redemptions of monetary claims bought	7,094	3,025
Purchase of money trusts	(22)	(0)
Proceeds from sales or redemptions of money trusts	-	2,000
Purchase of securities	(282,982)	(187,013)
Proceeds from sales or redemptions of securities	268,982	183,430
Investment in loans	(49,912)	(36,497)
Collection of loans	43,707	45,505
Other, net	180	1,200
<b>Total of net cash used in investment transactions</b>	<b>(15,411)</b>	<b>21,306</b>
<b>Total of net cash provided by (used in) operating activities and investment transactions</b>	<b>17,531</b>	<b>43,418</b>
Acquisition of tangible fixed assets	(5,348)	(5,252)
Proceeds from sales of tangible fixed assets	1,408	303
Other, net	(1,852)	(829)
<b>Net cash provided by (used in) investing activities</b>	<b>(21,203)</b>	<b>15,528</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Proceeds from sales of treasury stock	5	0
Repurchase of treasury stock	(32)	(12)
Dividends paid	(7,344)	(7,341)
Other, net	(183)	(252)
<b>Net cash used in financing activities</b>	<b>(7,554)</b>	<b>(7,606)</b>
<b>EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS</b>	<b>(1,348)</b>	<b>1,849</b>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>2,836</b>	<b>31,883</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<b>127,841</b>	<b>163,919</b>
<b>CASH AND CASH EQUIVALENTS AT END OF INTERIM PERIOD</b>	<b>130,677</b>	<b>195,803</b>

(5) Notes regarding preconditions of going concern  
Not applicable

(6) Segment information

【Segment information by lines of business】

The interim period in the preceding accounting year (April 1 to September 30, 2008)

(Yen in millions)

	Property and casualty insurance	Life insurance	Total	Eliminations	Consolidated
Ordinary income and ordinary profit					
Ordinary income:					
(1)attributed to external customers	496,913	40,429	537,343	(68)	537,275
(2)attributed to internal transactions between segments	608	57	665	(665)	-
Total	497,522	40,487	538,009	(734)	537,275
Ordinary expense	487,086	39,449	526,536	(734)	525,801
Ordinary profit	10,435	1,038	11,473	(0)	11,473

(Notes)

1. Business segments are classified based on the characteristics of the Company's businesses and its consolidated subsidiaries.

2. Main businesses of each business segment:

Property and casualty insurance: Property and casualty insurance (automobile, fire, personal accident, liability and other forms of property) underwriting operations and asset management business

Life insurance : Life insurance underwriting operations and asset management business

3. The amount presented in the column 'Elimination' of ordinary income attributed to external customers in this interim consolidated accounting period is mainly comprised of the transfer amount resulting from including translation losses in ordinary expense related to the property and casualty insurance segment into translation gain in ordinary income on the interim consolidated statements of operations.

The interim period in the current period (April 1 to September 30, 2009)

(Yen in millions)

	Property and casualty insurance	Life insurance	Total	Elimination	Consolidated
Ordinary income and ordinary profit					
Ordinary income:					
(1)attributed to external customers	496,420	41,535	537,955	(18,980)	518,975
(2)attributed to internal transactions between segments	573	76	649	(649)	-
Total	496,993	41,611	538,605	(19,630)	518,975
Ordinary expense	471,182	39,725	510,908	(19,630)	491,277
Ordinary profit	25,811	1,885	27,697	0	27,697

(Notes)

1. Business segments are classified based on the characteristics of the Company's businesses and its consolidated subsidiaries.

2. Main businesses of each business segment

Property and casualty insurance: Property and casualty insurance (automobile, fire, personal accident, liability and other forms of property) underwriting operations and asset management business

Life insurance : Life insurance underwriting operations and asset management business

3. The amount presented in the column 'Elimination' of ordinary income attributed to external customers in this interim consolidated accounting period is mainly comprised of the transfer amount resulting from including the reversal of underwriting reserves in ordinary income related to the property and casualty insurance segment into the provision for underwriting reserves in ordinary expense on the interim consolidated statements of operations.

**【Segment information by location】**

The interim period in the preceding accounting period (April 1 to September 30, 2008)

Segment information by location is omitted since the "business in Japan" constitutes more than 90% of the aggregated amount of the ordinary income of all segments.

The interim period in the current period (April 1 to September 30, 2009)

Segment information by location is omitted since the "business in Japan" constitutes more than 90% of the aggregated amount of the ordinary income of all segments.

**【Overseas sales】**

The interim period in the preceding accounting period (April 1 to September 30, 2008)

Since overseas sales constitute less than 10% of the consolidated sales, information on overseas sales is omitted.

The interim period in the current period (April 1 to September 30, 2009)

Since overseas sales constitute less than 10% of the consolidated sales, information on overseas sales is omitted.

## 6. SUMMARY OF NON-CONSOLIDATED FINANCIAL STATEMENTS under JGAAP

### (1)NON-CONSOLIDATED BALANCE SHEETS

September 30, 2009 and March 31, 2009

(Yen in Millions)

	As of September 30, 2009 Amount	As of March 31, 2009 Amount
<b>ASSETS:</b>		
Cash deposits and savings	164,206	155,529
Monetary claims bought	16,685	19,535
Money held in trust	5,212	6,718
Investments in securities	1,383,470	1,314,157
Loans	339,960	349,470
Property and equipment – net	149,399	149,165
Intangible assets	5,794	6,048
Other assets	215,755	226,121
Deferred tax assets	154,811	192,140
Customers' liabilities for acceptances and guarantees	3,000	3,000
Allowance for doubtful accounts	(2,379)	(2,127)
<b>Total assets</b>	<b>2,435,918</b>	<b>2,419,760</b>
<b>LIABILITIES:</b>		
Underwriting funds:	1,940,715	1,968,852
Outstanding claims	296,494	303,661
Underwriting reserves	1,644,221	1,665,191
Other liabilities	108,703	130,508
Income taxes payable	4,380	1,920
Lease obligations	234	298
Rest of the other liabilities	104,088	128,289
Liability for employees' retirement benefits	21,213	19,952
Bonus allowance	4,197	4,457
Reserve under the special law:	1,109	1,262
Price fluctuation reserve	1,109	1,262
Acceptances and guarantees	3,000	3,000
<b>Total liabilities</b>	<b>2,078,939</b>	<b>2,128,033</b>
<b>NET ASSETS:</b>		
Shareholders' equity:		
Common stock	100,005	100,005
Capital surplus		
Additional paid-in capital	44,081	44,081
Other capital surplus	15	11
<b>Total capital surpluses</b>	<b>44,097</b>	<b>44,092</b>

(Yen in Millions)

	As of September 30, 2009 Amount	As of March 31, 2009 Amount
Retained earnings		
Legal reserve	35,464	33,995
Other retained earnings	164,549	156,500
Reserve for dividends	31,298	38,640
Special reserve for insurance contract	25,070	25,070
Reserve for reduction entry	3,896	3,896
Special reserve	75,434	84,985
Retained earnings carried forward	28,849	3,908
<b>Total retained earnings</b>	<b>200,013</b>	<b>190,496</b>
Treasury stock	(7,950)	(7,946)
<b>Total shareholders' equity</b>	<b>336,164</b>	<b>326,647</b>
Valuation and translation adjustments:		
Net unrealized gains (losses) on available-for-sale securities	20,665	(35,023)
<b>Total valuation and translation adjustments</b>	<b>20,665</b>	<b>(35,023)</b>
Stock acquisition rights	147	104
<b>Total net assets</b>	<b>356,978</b>	<b>291,727</b>
<b>Total liabilities and net assets</b>	<b>2,435,918</b>	<b>2,419,760</b>

**(2)NON-CONSOLIDATED STATEMENTS OF INCOME**

September 30, 2008 and September 30, 2009

(Yen in Millions)

	Six months ended September 30, 2008 Amount	Six months ended September 30, 2009 Amount
<b>ORDINARY INCOME</b>	<b>484,494</b>	<b>487,999</b>
<b>Underwriting income</b>	<b>458,352</b>	<b>459,166</b>
Net premiums written	418,044	397,899
Deposit premiums from policyholders	27,065	23,995
Investment income on deposit premiums from policyholders	11,165	9,400
Reversal of outstanding claims	688	6,959
Reversal of underwriting reserves	-	20,720
<b>Investment income</b>	<b>24,368</b>	<b>26,851</b>
Interest and dividends received	23,315	24,814
Investment gains on money held in trust	22	661
Gains on trading securities	2	-
Gains on sales of securities	12,151	3,049
Gains on derivative transactions	-	7,137
Transfer of investment income on deposit premiums from policyholders	(11,165)	(9,400)
<b>Other income</b>	<b>1,773</b>	<b>1,981</b>
<b>ORDINARY EXPENSES</b>	<b>471,197</b>	<b>460,351</b>
<b>Underwriting expenses</b>	<b>383,113</b>	<b>378,298</b>
Net claims paid	239,659	236,784
Loss adjustment expenses	18,515	24,457
Commissions and collection expenses	74,389	70,415
Maturity refunds to policyholders	43,153	43,926
Provision for underwriting reserves	6,753	-
<b>Investment expenses</b>	<b>15,034</b>	<b>6,258</b>
Losses on trading securities	-	3
Losses on sales of securities	1,441	1,381
Losses on devaluation of securities	5,665	3,319
Losses on derivative transactions	6,166	-
<b>Operating expenses and general and administrative expenses</b>	<b>72,671</b>	<b>74,800</b>
<b>Other expenses</b>	<b>379</b>	<b>994</b>
Interest cost	1	0
<b>Total ordinary profit</b>	<b>13,296</b>	<b>27,647</b>
<b>Extraordinary income</b>	<b>506</b>	<b>395</b>
Reversal of reserves under the special laws	-	152
Reversal of price fluctuation reserve	-	152
Other	506	242
<b>Extraordinary losses</b>	<b>2,318</b>	<b>2,142</b>
Provision for reserves under the special laws	293	-
Provision for price fluctuation reserve	293	-
Other	2,024	2,142
<b>Income before income taxes</b>	<b>11,483</b>	<b>25,900</b>
Current	5,203	3,175
Deferred	(312)	5,867
<b>Total income taxes</b>		<b>9,042</b>
<b>NET INCOME</b>	<b>6,593</b>	<b>16,858</b>

**(3)NON-CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS**

September 30, 2008 and September 30, 2009

(Yen in Millions)

	Six months ended September 30, 2008 Amount	Six months ended September 30, 2009 Amount
<b>Shareholders' equity</b>		
<b>Common stock</b>		
Balance at the end of previous fiscal year	100,005	100,005
Changes of items during the period		
Total changes of items during the period	-	-
Balance at the end of current period	100,005	100,005
<b>Capital surplus</b>		
Additional paid-in capital		
Balance at the end of previous fiscal year	44,081	44,081
Changes of items during the period		
Total changes of items during the period	-	-
Balance at the end of current period	44,081	44,081
<b>Other capital surplus</b>		
Balance at the end of previous fiscal year	6	11
Changes of items during the period		
Disposal of treasury stock	2	4
Total changes of items during the period	2	4
Balance at the end of current period	8	15
<b>Total capital surplus</b>		
Balance at the end of previous fiscal year	44,088	44,092
Changes of items during the period		
Disposal of treasury stock	2	4
Total changes of items during the period	2	4
Balance at the end of current period	44,090	44,097
<b>Retained earnings</b>		
Legal reserves		
Balance at the end of previous fiscal year	32,526	33,995
Changes of items during the period		
Dividends from surplus	1,468	1,468
Total changes of items during the period	1,468	1,468
Balance at the end of current period	33,995	35,464
<b>Other retained earnings</b>		
Reserve for dividends		
Balance at the end of previous fiscal year	38,640	38,640
Changes of items during the period		
Reversal of reserve for dividends	-	(7,341)
Total changes of items during the period	-	(7,341)
Balance at the end of current period	38,640	31,298
<b>Special reserve for insurance contract</b>		
Balance at the end of previous fiscal year	25,070	25,070
Changes of items during the period		
Total changes of items during the period	-	-
Balance at the end of current period	25,070	25,070
<b>Reserve for reduction entry</b>		
Balance at the end of previous fiscal year	3,271	3,896
Changes of items during the period		
Provision of reserve for reduction entry	471	28
Reversal of reserve for reduction entry	(28)	(29)
Total changes of items during the period	442	(0)
Balance at the end of current period	3,713	3,896

(Yen in Millions)

	Six months ended September 30, 2008 Amount	Six months ended September 30, 2009 Amount
<b>Reserve for special account for advanced depreciation</b>		
Balance at the end of previous fiscal year	471	-
Changes of items during the period		
Reversal of reserve for special account for advanced depreciation	(471)	-
Total changes of items during the period	(471)	-
Balance at the end of current period	-	-
<b>Special reserve</b>		
Balance at the end of previous fiscal year	84,985	84,985
Changes of items during the period		
Reversal of special reserve	-	(9,550)
Total changes of items during the period	-	(9,550)
Balance at the end of current period	84,985	75,434
<b>Retained earnings carried forward</b>		
Balance at the end of previous fiscal year	22,427	3,908
Changes of items during the period		
Dividends from surplus	(8,813)	(8,809)
Reversal of reserve for dividends	-	7,341
Provision of reserve for reduction entry	(471)	(28)
Reversal of reserve for reduction entry	28	29
Reversal of reserve for special account for advanced depreciation	471	-
Provision of special reserve	-	9,550
Net income	6,593	16,858
Total changes of items during the period	(2,191)	24,941
Balance at the end of current period	20,235	28,849
<b>Total retained earnings</b>		
Balance at the end of previous fiscal year	207,391	190,496
Changes of items during the period		
Dividends from surplus	(7,344)	(7,341)
Net income	6,593	16,858
Total changes of items during the period	(751)	9,517
Balance at the end of current period	206,640	200,013
<b>Treasury stock</b>		
Balance at the end of previous fiscal year	(7,800)	(7,946)
Changes of items during the period		
Purchase of treasury stock	(32)	(12)
Disposal of treasury stock	3	8
Total changes of items during the period	(28)	(3)
Balance at the end of current period	(7,829)	(7,950)
<b>Total shareholders' equity</b>		
Balance at the end of previous fiscal year	343,683	326,647
Changes of items during the period		
Dividends from surplus	(7,344)	(7,341)
Net income	6,593	16,858
Purchase of treasury stock	(32)	(12)
Disposal of treasury stock	5	13
Total changes of items during the period	(777)	9,517
Balance at the end of current period	342,905	336,164
<b>Valuation and translation adjustments</b>		
<b>Net unrealized gains (losses) on available-for-sale securities</b>		
Balance at the end of previous fiscal year	97,422	(35,023)
Changes of items during the period		
Net changes of items other than shareholders' equity	(61,261)	55,689
Total changes of items during the period	(61,261)	55,689
Balance at the end of current period	36,161	20,665



(Yen in Millions)

	Six months ended September 30, 2008 Amount	Six months ended September 30, 2009 Amount
<b>Total valuation and translation adjustments</b>		
Balance at the end of previous fiscal year	97,422	(35,023)
Changes of items during the period		
Net changes of items other than shareholders' equity	(61,261)	55,689
Total changes of items during the period	(61,261)	55,689
Balance at the end of current period	36,161	20,665
<b>Stock acquisition rights</b>		
Balance at the end of previous fiscal year	-	104
Changes of items during the period		
Net changes of items other than shareholders' equity	38	43
Total changes of items during the period	38	43
Balance at the end of current period	38	147
<b>Total net assets</b>		
Balance at the end of previous fiscal year	441,106	291,727
Changes of items during the period		
Dividends from surplus	(7,344)	(7,341)
Net income	6,593	16,858
Purchase of treasury stock	(32)	(12)
Disposal of treasury stock	5	13
Net changes of items other than shareholders' equity	(61,222)	55,733
Total changes of items during the period	(62,000)	65,251
Balance at the end of current period	379,105	356,978

(4) Notes regarding preconditions of going concern  
Not applicable

## 7. Other Information

### Summary of Consolidated Results of Operations

(Yen in millions)

Items		Six months ended September 30, 2008 From April 1, 2008 to September 30, 2008	Six months ended September 30, 2009 From April 1, 2009 to September 30, 2009	Change	Change Ratio
<b>Ordinary Income and Expenses</b>	<b>Underwriting income</b>	<b>507,068</b>	<b>485,378</b>	<b>(21,689)</b>	<b>(4.3)</b>
	Net premiums written	430,476	408,633	(21,842)	(5.1)
	Deposit premiums from policyholders	27,065	23,995	(3,070)	(11.3)
	Life insurance premiums	36,203	36,905	701	1.9
	Reversal of outstanding claims	739	6,186	5,446	736.6
	<b>Underwriting expenses</b>	<b>431,550</b>	<b>401,956</b>	<b>(29,594)</b>	<b>(6.9)</b>
	Net claims paid	246,362	242,928	(3,433)	(1.4)
	Loss adjustment expenses	19,112	24,877	5,765	30.2
	Commission and collection expenses	81,985	77,331	(4,653)	(5.7)
	Maturity refunds to policyholders	43,153	43,926	772	1.8
	Life insurance claims	6,375	7,824	1,448	22.7
	Provision for underwriting reserves	33,876	2,270	(31,605)	(93.3)
	<b>Investment income</b>	<b>28,530</b>	<b>31,266</b>	<b>2,735</b>	<b>9.6</b>
	Interest and dividends received	27,468	29,054	1,586	5.8
	Gains on sale of securities	12,159	3,528	(8,630)	(71.0)
Gains on derivative transactions	-	7,137	7,137	-	
<b>Investment expenses</b>	<b>14,624</b>	<b>6,734</b>	<b>(7,889)</b>	<b>(53.9)</b>	
Losses on sale of securities	1,451	1,857	406	28.0	
Losses on devaluation of securities	5,665	3,319	(2,345)	(41.4)	
Losses on derivative transactions	6,167	-	(6,167)	(100.0)	
<b>Operating expenses and general and administrative expenses</b>	<b>79,214</b>	<b>81,635</b>	<b>2,420</b>	<b>3.1</b>	
<b>Other ordinary income and expenses</b>	<b>1,264</b>	<b>1,379</b>	<b>115</b>	<b>9.1</b>	
<b>Ordinary profit</b>	<b>11,473</b>	<b>27,697</b>	<b>16,223</b>	<b>141.4</b>	
<b>Extraordinary Income and Losses</b>	<b>Extraordinary income</b>	<b>507</b>	<b>1,403</b>	<b>896</b>	<b>176.7</b>
	<b>Extraordinary losses</b>	<b>837</b>	<b>2,142</b>	<b>1,305</b>	<b>156.0</b>
	<b>Extraordinary income and losses</b>	<b>(329)</b>	<b>(739)</b>	<b>(409)</b>	<b>-</b>
<b>Income before income taxes</b>	<b>11,143</b>	<b>26,957</b>	<b>15,814</b>	<b>141.9</b>	
<b>Income taxes – current</b>	<b>5,239</b>	<b>3,810</b>	<b>(1,428)</b>	<b>(27.3)</b>	
<b>Income taxes – deferred</b>	<b>187</b>	<b>5,925</b>	<b>5,738</b>	<b>-</b>	
<b>Total income taxes</b>	<b>5,426</b>	<b>9,736</b>	<b>4,309</b>	<b>79.4</b>	
<b>Minority interests</b>	<b>(41)</b>	<b>69</b>	<b>110</b>	<b>-</b>	
<b>Net income</b>	<b>5,757</b>	<b>17,152</b>	<b>11,394</b>	<b>197.9</b>	

## Consolidated Premiums and Claims by Lines of Insurance

### Direct Premiums Written by Lines of Insurance (including Deposit premiums from policyholders) - Consolidated

(Yen in millions)

	Six months ended September 30, 2008			Six months ended September 30, 2009		
	From April 1, 2008 to September 30, 2008			From April 1, 2009 to September 30, 2009		
	Amount	Share	Change	Amount	Share	Change
Fire and Allied Lines	67,196	14.2	1.7	65,650	14.6	(2.3)
Marine	2,939	0.6	7.1	2,323	0.5	(21.0)
Personal Accident	43,734	9.2	(5.8)	40,912	9.1	(6.5)
Voluntary Automobile	243,800	51.4	(1.0)	238,984	53.2	(2.0)
Compulsory Automobile Liability	73,750	15.5	(14.0)	61,356	13.7	(16.8)
Other	42,923	9.1	5.4	40,180	8.9	(6.4)
<b>Total</b>	<b>474,344</b>	<b>100.0</b>	<b>(2.8)</b>	<b>449,407</b>	<b>100.0</b>	<b>(5.3)</b>
Deposit premiums from policyholders	27,065	5.7	(6.9)	23,995	5.3	(11.3)

### Net Premiums Written by Lines of Insurance - Consolidated

(Yen in millions)

	Six months ended September 30, 2008			Six months ended September 30, 2009		
	From April 1, 2008 to September 30, 2008			From April 1, 2009 to September 30, 2009		
	Amount	Share	Change	Amount	Share	Change
Fire and Allied Lines	49,539	11.5	1.0	48,219	11.8	(2.7)
Marine	3,047	0.7	2.6	1,785	0.4	(41.4)
Personal Accident	23,925	5.5	(3.7)	23,154	5.7	(3.2)
Voluntary Automobile	246,111	57.2	(0.6)	241,772	59.2	(1.8)
Compulsory Automobile Liability	67,082	15.6	(11.6)	54,724	13.4	(18.4)
Other	40,771	9.5	2.7	38,979	9.5	(4.4)
<b>Total</b>	<b>430,478</b>	<b>100.0</b>	<b>(2.2)</b>	<b>408,636</b>	<b>100.0</b>	<b>(5.1)</b>

### Net Claims Paid by Lines of Insurance - Consolidated

(Yen in millions)

	Six months ended September 30, 2008			Six months ended September 30, 2009		
	From April 1, 2008 to September 30, 2008			From April 1, 2009 to September 30, 2009		
	Amount	Share	Change	Amount	Share	Change
Fire and Allied Lines	15,787	6.4	(1.9)	15,915	6.5	0.8
Marine	1,288	0.5	(34.8)	1,114	0.5	(13.5)
Personal Accident	10,967	4.5	21.2	10,818	4.4	(1.4)
Voluntary Automobile	140,452	57.0	0.6	143,540	59.1	2.2
Compulsory Automobile Liability	50,817	20.6	2.4	49,032	20.2	(3.5)
Other	27,048	11.0	6.4	22,507	9.3	(16.8)
<b>Total</b>	<b>246,362</b>	<b>100.0</b>	<b>1.9</b>	<b>242,928</b>	<b>100.0</b>	<b>(1.4)</b>

(Note) The amounts hereon are before the off-set of inter-segment transactions.

## Investment in Securities (Consolidated)

1. Held to maturity securities whose fair value was readily determinable  
Not applicable

2. Debt securities earmarked for underwriting reserves whose fair value was readily determinable (Yen in millions)

Items	As of September 30, 2009			As of March 31, 2009		
	Amortized cost	Fair Value	Difference	Amortized cost	Fair Value	Difference
Japanese Bonds	292,427	303,037	10,610	299,974	309,108	9,133
Foreign Securities	2,891	3,073	182	3,253	3,497	244
Total	295,318	306,111	10,792	303,227	312,605	9,377

3. Available-for-sale securities whose fair value was readily determinable (Yen in millions)

Items	As of September 30, 2009			As of March 31, 2009		
	Acquisition cost	Consolidated Balance sheet amount	Difference	Acquisition cost	Consolidated Balance sheet amount	Difference
Japanese Bonds	594,490	608,210	13,720	610,967	618,938	7,971
Japanese Stocks	265,636	320,818	55,182	269,329	269,305	(23)
Foreign Securities	401,132	372,462	(28,669)	349,833	309,365	(40,468)
Other Securities	92,461	87,946	(4,514)	136,422	116,720	(19,701)
Total	1,353,720	1,389,438	35,718	1,366,552	1,314,330	(52,221)

(Note)

As of September 30, 2009	As of March 31, 2009
The item "Others" in the above table includes beneficiary right for loan receivable trust and others which are recognized as Monetary Claims Bought in the interim consolidated balance sheet.	The item "Others" in the above table includes beneficiary right for loan receivable trust and others which are recognized as Monetary Claims Bought in the consolidated balance sheet.

4. Details and Amounts Recorded in Consolidated Balance Sheet of Securities whose fair value was not readily determinable

(1) Held to maturity securities

(Yen in millions)

Items	As of September 30, 2009	As of March 31, 2009
Japanese Bonds	32	119

(2) Available-for-sale securities

(Yen in millions)

Items	As of September 30, 2009	As of March 31, 2009
Japanese Bonds	2,000	-
Japanese Stocks	27,915	26,381
Foreign Securities	8,800	3,800
Other Securities	4,724	4,898
Total	43,440	35,080

(Note)

As of September 30, 2009	As of March 31, 2009
The item "Others" in the above table includes beneficiary right for loan receivable trust and others which are recognized as Monetary Claims Bought in the consolidated interim balance sheet.	The item "Others" in the above table includes beneficiary right for loan receivable trust and others which are recognized as Monetary Claims Bought in the consolidated balance sheet.

5. Recognizing impairment losses of available-for-sale securities

As of September 30, 2009	As of March 31, 2009
The Company recognized impairment losses of ¥3,319 million regarding available-for-sale securities. In principle, the Company and its subsidiaries recognize impairment losses for marketable available-for-sale securities whenever their fair values as at the end of the accounting period decrease by 30% or more compared to their original costs.	The Company recognized impairment losses of ¥62,461 million regarding available-for-sale securities. In principle, the Company and its subsidiaries recognize impairment losses for marketable available-for-sale securities whenever their fair values as at the year end decrease by 30% or more compared to their original costs.

## Derivative transactions (Consolidated)

(Yen in millions)

Type	Transaction	As of September 30, 2009			As of March 31, 2009		
		Contract amount	Fair Value	Unrealized gains and losses	Contract amount	Fair Value	Unrealized gains and losses
Currency-related	Foreign exchange Forward Buying	42,781	41,853	(927)	45,622	46,555	933
Interest rate	Interest rate swaps	2,500	125	125	3,500	156	156
Others	Credit derivatives Selling	84,275	(23,929)	(23,929)	85,811	(31,435)	(31,435)
Total		-	-	(24,731)	-	-	(30,345)

## Consolidated Risk-Monitored Loans

(Yen in millions)

	As of September 30, 2009	As of March 31, 2009	Change
Loans to bankrupt borrowers	38	39	(0)
Delinquent loans	2,462	1,548	913
Loans past due 3 months or more	1,222	1,342	(120)
Restructured Loans	719	745	(25)
Total risk monitored loans (a)	4,444	3,676	767
Loans (b)	351,808	360,819	(9,010)
Ratio against the Loans (a)/(b) x 100 (%)	1.3%	1.0%	0.3%

(Notes)

- Loans to bankrupt borrowers are loans (1) where accrued interest income is not recognized as it is probable that the principal or interest cannot be collected due to delinquencies in payment of principal or interest for a significant period of time or for other reasons (excluding loans written-off; "Non-accrual loans".) and (2) that meet the criteria set forth in Article 96-1-3 (1) to (5) and Article 96-1-4 of the Order Enforcement of the Corporate Tax Law (Cabinet Order No. 97 of 1965)
- Delinquent loans represent non-accrual loans other than loans to bankrupt borrowers and loans for which interest payments have been rescheduled for restructuring or providing support to borrowers.
- Loans past due 3 months or more represent loans whose principal or interest payments have been past due for 3 months or more from the day following the contractual due date, excluding loans to bankrupt borrowers and delinquent loans.
- Restructured loans represent loans for which concessions favorable to the borrowers are granted in order to restructure or provide support to borrowers. Concessions include a reduction or rescheduling of interest payments, rescheduling of principal payments and waiving of loans. Restructured loans do not include loans classified as loans to bankrupt borrowers and delinquent loans, and loans past due 3 months or more".

## Summary of Non-Consolidated Statements of Income

(Yen in millions)

Items		Six months ended September 30, 2008 From April 1, 2008 to September 30, 2008	Six months ended September 30, 2009 From April 1, 2009 to September 30, 2009	Change	Change Ratio
<b>Ordinary Income and Expenses</b>	<b>Direct net premiums including deposit premiums from policyholders</b>	<b>458,666</b>	<b>435,228</b>	<b>(23,437)</b>	<b>(5.1)</b>
	Direct net premiums	431,601	411,233	(20,367)	(4.7)
	<b>Underwriting income</b>	<b>458,352</b>	<b>459,166</b>	<b>813</b>	<b>0.2</b>
	Net premiums written	418,044	397,899	(20,145)	(4.8)
	Deposit premiums from policyholders	27,065	23,995	(3,070)	(11.3)
	Reversal of reserve for outstanding claims	688	6,959	6,270	910.2
	Reversal of reserve for policy reserve and other	-	20,720	20,720	-
	<b>Underwriting expenses</b>	<b>383,113</b>	<b>378,298</b>	<b>(4,814)</b>	<b>(1.3)</b>
	Net claims paid	239,659	236,784	(2,875)	(1.2)
	Loss adjustment expenses	18,515	24,457	5,941	32.1
	Commissions and collection expenses	74,389	70,415	(3,974)	(5.3)
	Maturity refunds to policyholders	43,153	43,926	772	1.8
	Provision for underwriting reserves and other	6,753	-	(6,753)	(100.0)
	<b>Investment income</b>	<b>24,368</b>	<b>26,851</b>	<b>2,483</b>	<b>10.2</b>
	Interest and dividends received	23,315	24,814	1,499	6.4
	Gains on sale of securities	12,151	3,049	(9,101)	(74.9)
	Gains on derivative transactions	-	7,137	7,137	-
<b>Investment expenses</b>	<b>15,034</b>	<b>6,258</b>	<b>(8,775)</b>	<b>(58.4)</b>	
Losses on sale of securities	1,441	1,381	(60)	(4.2)	
Losses on devaluation of securities	5,665	3,319	(2,345)	(41.4)	
Losses on derivative transactions	6,166	-	(6,166)	(100.0)	
<b>Operating expenses and general and administrative expenses</b>	<b>72,671</b>	<b>74,800</b>	<b>2,128</b>	<b>2.9</b>	
Operating expenses and general and administrative expenses for underwriting	68,542	70,778	2,236	3.3	
<b>Other ordinary income and expenses</b>	<b>1,394</b>	<b>987</b>	<b>(406)</b>	<b>(29.2)</b>	
<b>Ordinary profit and ordinary losses</b>	<b>13,296</b>	<b>27,647</b>	<b>14,350</b>	<b>107.9</b>	
Underwriting profit and loss	5,425	9,411	3,986	73.5	
<b>Extraordinary Income and Losses</b>	<b>Extraordinary income</b>	<b>506</b>	<b>395</b>	<b>(111)</b>	<b>(21.9)</b>
	<b>Extraordinary losses</b>	<b>2,318</b>	<b>2,142</b>	<b>(176)</b>	<b>(7.6)</b>
	<b>Extraordinary income and losses</b>	<b>(1,812)</b>	<b>(1,746)</b>	<b>65</b>	<b>-</b>
<b>Income before income taxes</b>		<b>11,483</b>	<b>25,900</b>	<b>14,416</b>	<b>125.5</b>
<b>Income taxes-current</b>		<b>5,203</b>	<b>3,175</b>	<b>(2,028)</b>	<b>(39.0)</b>
<b>Income taxes-deferred</b>		<b>(312)</b>	<b>5,867</b>	<b>6,179</b>	<b>-</b>
<b>Total income taxes</b>		<b>4,890</b>	<b>9,042</b>	<b>4,151</b>	<b>84.9</b>
<b>Net income</b>		<b>6,593</b>	<b>16,858</b>	<b>10,265</b>	<b>155.7</b>
<b>Ratios</b>	Loss ratio (%)	61.8	65.7		
	Expense ratio (%)	34.2	35.5		

(Notes)

1. Underwriting profit = Underwriting income – (Underwriting expenses + Operating expenses and general and administrative expenses for underwriting) ± Other revenue and spending \*

\* Other revenue and spending include the amounts of income taxes related to compulsory automobile liability insurance and others.

2. Loss ratio = (Net claims paid + Loss adjustment expenses) / Net premiums written x 100

3. Expense ratio = (Commissions and collection expenses + Operating expenses and general and administrative expenses for underwriting) / Net premiums written x 100



## Non-Consolidated Premiums and Claims by Lines of Insurance

### Direct Premiums Written by Lines of Insurance (excluding Deposit Premiums from Policyholders)

(Yen in millions)

	Six months ended September 30, 2008 From April 1, 2008 to September 30, 2008			Six months ended September 30, 2009 From April 1, 2009 to September 30, 2009		
	Amount	Share	Change	Amount	Share	Change
Fire and Allied Lines	58,473	% 13.5	% 2.2	57,170	% 13.9	% (2.2)
Marine	2,939	0.7	7.1	1,820	0.5	(38.1)
Personal Accident	25,458	5.9	(3.2)	24,897	6.1	(2.2)
Voluntary Automobile	231,117	53.6	(1.5)	227,982	55.4	(1.4)
Compulsory Automobile Liability	73,750	17.1	(14.0)	61,356	14.9	(16.8)
Other	39,862	9.2	5.7	38,007	9.2	(4.7)
Total	431,601	100.0	(2.9)	411,233	100.0	(4.7)
Total (Including Deposit premiums from policyholders)	458,666		(3.1)	435,228		(5.1)

### Net Premiums Written by Lines of Insurance

(Yen in millions)

	Six months ended September 30, 2008 From April 1, 2008 to September 30, 2008			Six months ended September 30, 2009 From April 1, 2009 to September 30, 2009		
	Amount	Share	Change	Amount	Share	Change
Fire and Allied Lines	49,488	% 11.8	% 1.0	48,080	% 12.1	% (2.8)
Marine	3,028	0.7	2.6	1,755	0.4	(42.0)
Personal Accident	23,918	5.7	(3.7)	23,144	5.8	(3.2)
Voluntary Automobile	235,555	56.4	(1.1)	232,778	58.5	(1.2)
Compulsory Automobile Liability	67,082	16.1	(11.6)	54,724	13.8	(18.4)
Other	38,970	9.3	2.9	37,414	9.4	(4.0)
Total	418,044	100.0	(2.5)	397,899	100.0	(4.8)

### Net Claims Paid by Lines of Insurance

(Yen in millions)

	Six months ended September 30, 2008 From April 1, 2008 to September 30, 2008			Six months ended September 30, 2009 From April 1, 2009 to September 30, 2009		
	Amount	Change	Loss Ratio	Amount	Change	Loss Ratio
Fire and Allied Lines	15,751	% (1.9)	% 33.4	15,877	% 0.8	% 35.3
Marine	1,278	(34.9)	44.2	1,064	(16.7)	63.4
Personal Accident	10,965	21.3	49.5	10,816	(1.4)	51.4
Voluntary Automobile	134,220	1.0	61.7	137,817	2.7	65.9
Compulsory Automobile Liability	50,817	2.4	81.7	49,032	(3.5)	98.8
Other	26,625	6.4	72.3	22,175	(16.7)	63.9
Total	239,659	2.1	61.8	236,784	(1.2)	65.7

(Note) Loss ratio = (Net claims paid + Loss adjustment expenses) / Net premiums written x 100

## Non-Consolidated Solvency Margin Ratio

(Yen in millions)

	As of September 30, 2009	As of March 31, 2009
Total Amount of Solvency Margin(A)	718,674	625,050
Capital Stock, Funds, and Other	332,642	319,409
Price Fluctuation Reserve	1,109	1,262
Contingency Fund	517	517
CAT Reserve including Earthquake Insurance	277,811	282,361
Allowance for Bad Debt	368	390
90% of Net Unrealized Gains on Available-for-Sale Securities (100% of loss)	29,106	(54,810)
85% of Unrealized Gains on Land	10,032	14,529
Deductions	25,311	24,250
Other	92,397	85,639
Total Risk (B)		
$\sqrt{(R_1 + R_2)^2 + (R_3 + R_4)^2} + R_5 + R_6$	179,709	173,420
General Insurance Risk (R <sub>1</sub> )	45,971	45,991
Third Sector Insurance Risk (R <sub>2</sub> )	-	-
Assumed Interest Rate Risk (R <sub>3</sub> )	2,363	2,385
Asset Management Risk (R <sub>4</sub> )	84,171	77,619
Business Management Risk (R <sub>5</sub> )	4,200	4,061
Catastrophe Risk (R <sub>6</sub> )	77,520	77,076
Solvency Margin Ratio (C)		
$[(A)/\{(B) \times 1/2\}] \times 100$ (%)	799.8	720.8

Note: The above figures are calculated based on provisions in Article 86 and 87 of the Ordinance for Enforcement of Insurance Business Law and Notification No.50 issued by the Ministry of Finance in 1996.

### <Solvency Margin Ratio>

A non-life insurance company keeps reserves for payments of insurance claims, maturity repayments, and other purposes. Furthermore, a non-life insurance company needs to maintain sufficient ability to pay under the extraordinary situations, such as catastrophes, significant decline of assets value, and other unexpected situations.

Solvency margin ratio (C) is calculated based on the Insurance Business Law and relevant ordinance as an index of ability to pay. The ratio is the total amount of Solvency margin (A) divided by half of the total risk (B), then multiplied by 100.

Total risk includes the following risks.

- ① Insurance Risk: Risks that payments of insurance claims will be in excess of expectations, excluding catastrophe risk
  - (General Insurance Risk)
  - (Third Sector Insurance Risk)
- ② Assumed Interest Rate Risk: Risks arising from actual yields in investments being lower than expected yields
- ③ Asset Management Risk: Risks of price fluctuations of securities and other assets in excess of expectations
- ④ Business Management Risk: Unexpected risks arising during the course of operations except for the risks explained in ①-③ and ⑤
- ⑤ Catastrophe Risk: Risks arising from unexpected disasters, such as the Great Kanto Earthquake, the Ise Bay Typhoon

The total amount of solvency margin is the total amount of net assets of a non-life insurance company, excluding planned appropriations and others, reserves such as the price fluctuation reserve, catastrophe reserve and other reserves, and a part of unrealized holding gains on land.

Solvency margin ratio is an objective index used by the Financial Service Agency of Japan to monitor insurance companies. If the ratio is 200% or more, the ability to pay is considered sufficient.

## Investment Conditions of Securitized Products

We invested in securitized products, such as securities and credit derivatives. The carrying amount of securities was 33.8 billion yen, and the notional amount of credit derivatives was 84.2 billion yen as of September 30, 2009. A part of credit derivatives (ABS-CDO) contained subprime-related loans, however the securities did not contain any subprime-related loans.

### 1. Investment conditions of Securities (As of September 30, 2009)

(Yen in 100 millions)

	Carrying Amount		Fair Value		Unrealized Gains and Losses		Losses for the Six months ended September 30, 2009
		Change from March 31, 2009		Change from March 31, 2009		Change from March 31, 2009	
Total Amount of Securitized Products	338	(46)	326	(41)	(11)	4	(3)

#### (1) Special Purpose Entity (SPE)

There were no SPEs structured by the Company. We did not provide liquidity arrangements to SPEs.

(Yen in 100 millions)

	Carrying Amount		Fair Value		Unrealized Gains and Losses		Losses for the Six months ended September 30, 2009
		Change from March 31, 2009		Change from March 31, 2009		Change from March 31, 2009	
Total Amount	1	(1)	1	(2)	(0)	(0)	(1)
ABCP	-	-	-	-	-	-	-
Bond Issued by SIV *1	1	(1)	1	(2)	(0)	(0)	(1)
Other	-	-	-	-	-	-	-

\*1 We held subordinated bonds issued by Structured Investment Vehicles (SIVs). More than 50% of assets pledged as collateral for the bonds kept AAA ratings, and approximately 70% of the assets kept A and above ratings. The 60% or more of the bonds were Residential Mortgage Backed Securities (RMBSs) and Commercial Mortgage Backed Securities (CMBSs). RMBSs did not contain subprime-related exposure but partially contained Alt-A exposure. Percentages of pledged assets by region were approximately 60% for the U.S. and approximately 35% for Europe. The average remaining period of pledged assets was 3.5 years.

#### (2) Collateralized Debt Obligation (CDO)

We held Collateralized Loan Obligations (CLOs), one of CDOs. These CLOs did not contain subprime-related exposure and Alt-A exposure.

(Yen in 100 millions)

	Carrying Amount		Fair Value		Unrealized Gains and Losses		Losses for the Six months ended September 30, 2009
		Change from March 31, 2009		Change from March 31, 2009		Change from March 31, 2009	
Total Amount	2	(2)	5	0	3	3	(1)
CLO *2	2	(2)	5	0	3	3	(1)
Other	-	-	-	-	-	-	-

\*2 We held equity of overseas CLOs.

#### (3) Other Securitized Products

The table below shows the amounts of investments in securitized products other than (1) and (2) above. Subprime-related exposure and Alt-A exposure are not included.

(Yen in 100 millions)

	Carrying Amount		Fair Value		Unrealized Gains and Losses		Gains and Losses for the Six months ended September 30, 2009
		Change from March 31, 2009		Change from March 31, 2009		Change from March 31, 2009	
Total Amount	334	(42)	319	(40)	(14)	2	-
CMBS	37	(0)	37	(0)	(0)	0	-
RMBS	209	(30)	210	(27)	1	2	-
ABS and Other	87	(11)	71	(12)	(16)	(0)	-

Overseas exposures that are included in the above table are as follows:

(Yen in 100 millions)

	Carrying Amount		Fair Value		Unrealized Gains and Losses		Gains and Losses for the Six months ended September 30, 2009
		Change from March 31, 2009		Change from March 31, 2009		Change from March 31, 2009	
Total Amount	80	(0)	64	(1)	(16)	(0)	-
CMBS	-	-	-	-	-	-	-
RMBS	-	-	-	-	-	-	-
ABS and Other	80	(0)	64	(1)	(16)	(0)	-

## 2. Investments in Credit Derivative Transaction (As of September 30, 2009)

We held credit derivatives which refer to ABS-CDOs and Corporate CDOs. These ABS-CDOs contained subprime-related exposures and Alt-A exposures, however Corporate CDOs did not contain these exposures. We entered into foreign currency exchange hedge transactions which relate to the credit derivative transactions. We did not have any other hedge transactions as of September 30, 2009.

(Yen in 100 millions)

	Notional Amount		Appraisal Profit or Loss		Outstanding Exposures		Gains and Losses for the Six months ended September 30, 2009
		Change from March 31, 2009		Change from March 31, 2009		Change from March 31, 2009	
Total Amount	842	(15)	(239)	75	603	59	75
ABS-CDO *3	232	(15)	(231)	12	1	(2)	* 12
Corporate CDO *4	350	-	(6)	52	343	52	52
CDS	260	-	(1)	9	258	9	9

Currency hedge loss (Exchange contract) \*(14)

Subprime related profit and loss (\*Total) (1)

Overseas exposures that are included in the above table are as follows:

(Yen in 100 millions)

	Notional Amount		Appraisal Profit or Loss		Outstanding Exposures		Gains and Losses for the Six months ended September 30, 2009
		Change from March 31, 2009		Change from March 31, 2009		Change from March 31, 2009	
Total Amount	232	(15)	(231)	12	1	(2)	12
ABS-CDO	232	(15)	(231)	12	1	(2)	12
Corporate CDO	-	-	-	-	-	-	-
CDS	-	-	-	-	-	-	-

\*3 The losses on ABS-CDOs including foreign currency hedges (subprime-related loss) for the Six months ended September 30, 2009 was 0.1 billion yen. The ratings of ABS-CDOs, which partially contained subprime-related loans, were CC and below. This was due to conditions of underlying assets and tranches. Almost half of underlying assets of these ABS-CDOs were RMBSs, and the other underlying assets were CMBSs, credit card receivables, leasing receivables, and student loans.

\*4 All Corporate CDOs kept AAA ratings. Underlying assets of Corporate CDOs were all loan receivables from domestic corporations.

## 3. Other Conditions (As of September 30, 2009)

We did not implement leveraged finance deals and did not underwrite financial guarantee insurances and reinsurances from monoline insurers. In addition, we did not hold a bond or a securitized product such as RMBS or any other debt securities issued by the U.S. residential public corporations. The consolidated subsidiaries did not hold securitized products.

(Note) "Investment Conditions of Securitized Products" is prepared based on the guidelines issued by the Financial Stabilization Forum ("FSF") held in April 2008.

The contents include information obtained from third party financial institutions which have business relationships with us.

(References) Glossaries

Terms	Explanations
Special purpose entities ("SPE")	An entity created to perform specific limited objectives such as an issuance of securities secured by specific assets.
Structured investment vehicles ("SIV")	A kind of SPE which engages in the investment business. SIV itself raises funds and makes profits by operating those funds.
Subordinated bond	A bond which is inferior to ordinary debt in terms of priority of receiving repayment. Generally, it has a characteristic that is similar to equity.
Collateralized debt obligations ("CDO")	Securitized instruments collateralized by a variety of debt obligations including corporate bonds and loans.
Collateralized loan obligations ("CLO")	Securitized instruments collateralized by loans of financial institutions and others.
Commercial mortgage backed securities ("CMBS")	Securitized instruments issued by financial institutions and others backed by mortgage loans and secured by commercial properties.
Residential mortgage backed securities ("RMBS")	Securitized instruments issued by financial institutions and others backed by mortgage loans and secured by residential properties.
Asset backed securities ("ABS")	Securitized instruments backed by particular assets such as loans, movable properties and real estate as well as other assets.
ABS-CDO	CDO collateralized by ABS etc.
Corporate-CDO	CDO collateralized by corporate loans.
Alt-A	A type of U.S. residential loan which is rated between the "Prime loan" for borrowers of high creditworthiness and the "Subprime loan" for borrowers of low creditworthiness.
Tranche	One in a series of debt instruments that are backed by a common underlying portfolio, and which have specific risk and return profile.
U.S. residential public corporation	A kind of GSE (Government Sponsored Entities or Enterprises) which is established to provide benefits to the public in the U.S. It is the entity which engages in purchasing loans from financial institutions and issuing RMBS. Examples are Fannie Mae ("Federal National Mortgage Association") and Freddie Mac ("Federal Home Loan Mortgage Corporation") which are both listed companies.

# **AIOI INSURANCE COMPANY, LIMITED**

## **Appendices of Non-Consolidated Financial Results for the Six Months Ended September 30, 2009**

- 1. Premiums and Claims by Lines of Insurance**
- 2. Assumed Reinsurance Premiums and Claims by Lines of Insurance**
- 3. Breakdown of Net Business Expenses**
- 4. Catastrophe Reserves**
- 5. Total Assets and Invested Assets**
- 6. Investment Income and Expenses**
- 7. Investments in Securities**

## 1. Premiums and Claims by Lines of Insurance

### (1) Direct Premiums Written by Lines of Insurance

	Six months ended September 30, 2008		Six months ended September 30, 2009		For the year ended March 31, 2009	
		Change (%)		Change (%)		Change (%)
Fire and Allied Lines	58,473	2.2	57,170	(2.2)	122,262	4.1
Marine	2,939	7.1	1,820	(38.1)	5,006	(9.8)
Personal Accident	25,458	(3.2)	24,897	(2.2)	49,511	(2.1)
Voluntary Automobile	231,117	(1.5)	227,982	(1.4)	458,827	(1.7)
Compulsory Automobile Liability	73,750	(14.0)	61,356	(16.8)	132,713	(15.8)
Other	39,862	5.7	38,007	(4.7)	75,906	2.7
Total	431,601	(2.9)	411,233	(4.7)	844,227	(3.2)

(Yen in millions)

### (2) Net Premiums Written by Lines of Insurance

	Six months ended September 30, 2008		Six months ended September 30, 2009		For the year ended March 31, 2009	
		Change (%)		Change (%)		Change (%)
Fire and Allied Lines	49,488	1.0	48,080	(2.8)	102,746	2.4
Marine	3,028	2.6	1,755	(42.0)	5,589	(13.2)
Personal Accident	23,918	(3.7)	23,144	(3.2)	46,015	(3.9)
Voluntary Automobile	235,555	(1.1)	232,778	(1.2)	466,823	(1.3)
Compulsory Automobile Liability	67,082	(11.6)	54,724	(18.4)	119,731	(19.9)
Other	38,970	2.9	37,414	(4.0)	75,787	1.2
Total	418,044	(2.5)	397,899	(4.8)	816,693	(4.1)

(Yen in millions)

### (3) Net Claims Paid by Lines of Insurance

	Six months ended September 30, 2008		Six months ended September 30, 2009		For the year ended March 31, 2009		
		Loss Ratio (%)*		Loss Ratio (%)*		Loss Ratio (%)*	Change (%)
Fire and Allied Lines	15,751	33.4	15,877	35.3	35,102	35.9	(1.4)
Marine	1,278	44.2	1,064	63.4	3,446	64.3	6.6
Personal Accident	10,965	49.5	10,816	51.4	21,466	50.0	4.3
Voluntary Automobile	134,220	61.7	137,817	65.9	279,434	64.8	1.5
Compulsory Automobile Liability	50,817	81.7	49,032	98.8	100,283	90.2	17.9
Other	26,625	72.3	22,175	63.9	53,816	74.7	(5.3)
Total	239,659	61.8	236,784	65.7	493,549	65.0	2.8

(Yen in millions)

\* Net loss ratio = (Net claims paid + Loss adjustment expenses) / Net premiums written x 100

## 2. Assumed Reinsurance Premiums and Claims by Lines of Insurance

### (1) Net Assumed Reinsurance Premiums by Lines of Insurance

(Yen in millions)

	Six months ended September 30, 2008		Six months ended September 30, 2009		For the year ended March 31, 2009	
		Change (%)		Change (%)		Change (%)
Fire and Allied Lines	5,582	2.6	5,609	0.5	9,298	(2.2)
Marine	1,127	13.5	693	(38.5)	2,223	(5.9)
Personal Accident	253	11.2	97	(61.6)	134	(81.9)
Voluntary Automobile	7,112	16.8	7,408	4.2	13,260	14.9
Compulsory Automobile Liability	42,972	(22.9)	34,613	(19.5)	76,380	(30.9)
Other	2,978	(28.4)	2,764	(7.2)	6,605	(21.2)
<b>Total</b>	<b>60,026</b>	<b>(17.4)</b>	<b>51,186</b>	<b>(14.7)</b>	<b>107,902</b>	<b>(24.6)</b>

### (2) Net Assumed Reinsurance Claims by Lines of Insurance

(Yen in millions)

	Six months ended September 30, 2008			Six months ended September 30, 2009			For the year ended March 31, 2009		
		Loss Ratio(%)*	Change(%)		Loss Ratio(%)*	Change(%)		Loss Ratio(%)*	Change(%)
Fire and Allied Lines	1,105	19.8	(11.7)	1,660	29.6	9.8	4,499	48.4	(1.9)
Marine	623	55.3	(58.0)	474	68.4	13.1	1,996	89.8	(3.7)
Personal Accident	568	224.4	149.5	152	156.9	(67.5)	356	265.7	222.1
Voluntary Automobile	3,662	51.5	(7.1)	4,331	58.5	7.0	7,988	60.2	(8.9)
Compulsory Automobile Liability	50,817	118.3	29.3	49,032	141.7	23.4	100,283	131.3	40.7
Other	6,485	217.8	82.0	3,430	124.1	(93.7)	12,589	190.6	(18.6)
<b>Total</b>	<b>63,263</b>	<b>105.4</b>	<b>20.3</b>	<b>59,081</b>	<b>115.4</b>	<b>10.0</b>	<b>127,714</b>	<b>118.4</b>	<b>25.5</b>

\* Loss ratio = Net assumed reinsurance premiums / Net assumed reinsurance claims x 100



### 3. Breakdown of Net Business Expenses

(Yen in millions)

		Six months ended September 30, 2008			Six months ended September 30, 2009		
			Change (%)	% of Premiums		Change (%)	% of Premiums
Loss Adjustment Expenses + Operating Expenses and General and Administrative Expenses	Personnel Expenses	45,930	2.6	11.0	47,896	4.3	12.0
	Non-Personnel Expenses	39,572	7.7	9.5	45,820	15.8	11.5
	Taxes and Other	5,683	(0.5)	1.4	5,540	(2.5)	1.4
	Total	91,187	4.5	21.8	99,257	8.9	24.9
Operating Expenses and General and Administrative Expenses for Underwriting		68,542	4.1	16.4	70,778	3.3	17.8
Commissions and Collection Expenses		74,389	(0.1)	17.8	70,415	(5.3)	17.7
Total (Net Business Expenses)		142,932	1.9	34.2	141,193	(1.2)	35.5

(Yen in millions)

		For the year ended March 31, 2009		
			Change (%)	% of Premiums
Loss Adjustment Expenses + Operating Expenses and General and Administrative Expenses	Personnel Expenses	91,661	2.8	11.2
	Non-Personnel Expenses	82,140	1.6	10.1
	Taxes and Other	9,687	2.0	1.2
	Total	183,489	2.2	22.5
Operating Expenses and General and Administrative Expenses for Underwriting		138,311	1.4	16.9
Commissions and Collection Expenses		144,132	(2.0)	17.6
Total (Net Business Expenses)		282,444	(0.4)	34.6

### 4. Catastrophe Reserves

(Yen in millions)

	As of September 30, 2008		As of September 30, 2009			
	Amount	Reserve Ratio (%)*	Amount	Reserve Ratio (%)*	Change from 2Q FY2008	Change from FY2008
Fire and Allied Lines	93,769	96.5	100,762	106.9	6,992	2,832
Marine	4,344	71.7	4,468	127.2	123	43
Personal Accident	33,600	70.2	35,009	75.6	1,408	708
Voluntary Automobile	90,449	19.2	66,571	14.3	(23,877)	(10,337)
Other	25,335	32.5	27,894	37.3	2,558	1,047
Total	247,500	35.4	234,706	34.3	(12,793)	(5,704)

(Yen in millions)

	As of March 31, 2009	
	Amount	Reserve Ratio (%)*
Fire and Allied Lines	97,930	97.0
Marine	4,424	79.2
Personal Accident	34,300	74.5
Voluntary Automobile	76,908	16.5
Other	26,846	35.4
Total	240,410	34.6

\* Reserve ratio = Balance of catastrophe reserve / Net premiums written (excluding dwelling earthquake + CALI) × 100

Note: Reserve ratios for the second quarter are calculated after net premiums written (excluding dwelling earth quake + CALI) are doubled.

## 5. Total Assets and Invested Assets

(Yen in millions)

	As of March 31, 2009	As of September 30, 2009	Change	
Cash and Cash Equivalents	155,529	164,206		8,676
Monetary Claims Bought	19,535	16,685		(2,850)
Money Held in Trust	6,718	5,212		(1,506)
Investments in Securities	1,314,157	1,383,470		69,313
Domestic Bonds	535,419	499,817		(35,601)
Domestic Stocks	342,257	396,300		54,043
Foreign Securities	334,496	411,469		76,973
Other Securities	101,984	75,882		(26,102)
Loans	349,470	339,960		(9,510)
Property and Equipment-net	149,165	149,399		233
Intangible Assets	6,048	5,794		(254)
Other Assets	226,121	215,755		(10,365)
Deferred Tax Assets	192,140	154,811		(37,328)
Customers' Liabilities for Acceptances and Guarantees	3,000	3,000		-
Allowance for doubtful accounts	(2,127)	(2,379)		(251)
<b>Total Assets</b>	<b>2,419,760</b>	<b>2,435,918</b>		<b>16,157</b>
Invested Assets	1,984,192	2,049,176		64,984
(For information purpose)				
Long-Lived Assets	546,941	532,995		(13,945)

## 6. Investment Income and Expenses

(Yen in millions)

	Six months ended September 30, 2008	Six months ended September 30, 2009	Change	
Interest and Dividends Received	23,315	24,814	1,499	42,982
Gains and Losses on Sale of Securities	10,709	1,668	(9,040)	43,994
Losses on Devaluation of Securities	(5,665)	(3,319)	2,345	(62,461)
Gains and Losses on Derivative Transactions*	(6,166)	7,137	13,303	(11,832)
Other Investment Gains and Losses	(1,693)	(307)	1,386	(26,425)
Transfer of Investment Income on Deposit Premiums from Policyholders	(11,165)	(9,400)	1,765	(20,213)
<b>Investment Income and Losses</b>	<b>9,334</b>	<b>20,592</b>	<b>11,258</b>	<b>(33,956)</b>

\* Valuation profit and loss on derivative transactions at the end of the period are included.

(Reference) Details of Investment and Dividends Received

(Yen in millions)

	Six months ended September 30, 2008	Six months ended September 30, 2009	Change	
Securities	16,532	18,301	1,768	29,645
Domestic Bonds	5,643	4,129	(1,513)	10,282
Domestic Stocks	5,093	3,586	(1,506)	9,439
Foreign Securities	5,291	5,368	77	9,129
Other Securities	504	5,216	4,711	794
Loans	3,343	3,397	54	6,783
Land and Buildings	2,571	2,563	(7)	5,201
Other	868	551	(316)	1,350
<b>Total</b>	<b>23,315</b>	<b>24,814</b>	<b>1,499</b>	<b>42,982</b>

## 7. Investments in Securities

### (1) Unrealized Gains and Losses on Securities

(Yen in millions)

As of September 30, 2009	Cost	Fair Value	Unrealized Gains and Losses	
				Change
Domestic Bonds	486,951	497,784	10,833	5,135
Domestic Stocks	265,381	320,438	55,057	55,200
Foreign Securities	399,382	370,725	(28,657)	11,796
Other Securities	92,361	87,843	(4,517)	15,182
<b>Total</b>	<b>1,244,076</b>	<b>1,276,791</b>	<b>32,715</b>	<b>87,315</b>

As of March 31, 2009	Cost	Fair Value	Unrealized Gains and Losses
Domestic Bonds	529,602	535,299	5,697
Domestic Stocks	269,074	268,931	(142)
Foreign Securities	347,231	306,777	(40,453)
Other Securities	136,322	116,621	(19,700)
<b>Total</b>	<b>1,282,230</b>	<b>1,227,631</b>	<b>(54,599)</b>

(Notes)

1. Other available-for-sale securities, which are fairly valued on the market, are listed in the above tables.
2. Monetary claims bought is included in Other Securities.

### (2) Gains and Losses on Sale of Securities

(Yen in millions)

	Six months ended September 30, 2008	Six months ended September 30, 2009	Change		For the year ended March 31, 2009
Domestic Bonds	2,955	282	(2,672)		6,508
Domestic Stocks	6,777	733	(6,044)		46,517
Foreign Securities	(541)	1,821	2,362		(10,548)
Other Securities	1,517	(1,169)	(2,686)		1,517
<b>Total</b>	<b>10,709</b>	<b>1,668</b>	<b>(9,040)</b>		<b>43,994</b>

### (3) Losses on Devaluation of Securities by Impairment

(Yen in millions)

	As of September 30, 2008	As of September 30, 2009	Change		As of March 31, 2009
Domestic Bonds	-	-	-		485
Domestic Stocks	4,163	3,012	(1,151)		25,441
Foreign Securities	1,032	306	(725)		24,880
Other Securities	469	-	(469)		11,654
<b>Total</b>	<b>5,665</b>	<b>3,319</b>	<b>(2,345)</b>		<b>62,461</b>

# **AIOI INSURANCE COMPANY, LIMITED**

## **Supplement of Non-Consolidated Financial Results for the Six Months Ended September 30, 2009**

### **1. Basic Information**

### **2. Other Information**

- ① Disclosure of Non-performing Loans**
- ② Losses on Devaluation of Securities due to Recognizing Impairment Losses**
- ③ Conditions of Realized Losses of Securitized Products regarding the Subprime Loan Problem in U.S.**
- ④ Recognition of Impairment Losses on Property and Equipment**
- ⑤ Unrealized Losses and Gains of Securities**
- ⑥ Sales Conditions of Third Sector Insurance**
- ⑦ Influences of Natural Catastrophe**
- ⑧ Balance, Reserve Ratio and Provision of Catastrophe Reserves**
- ⑨ Conditions of accepting Assumed Reinsurance Premiums and Claims**
- ⑩ Conditions of Insurance Ceded**
- ⑪ Actual Amounts of Refunds to Policyholders**

**【Supplement of Non-Consolidated Financial Results For the Six Months Ended September 30, 2009】**

**1. Basic information**

(Yen in 100 millions)

	Six months ended September 30, 2008	For the year ended March 31, 2009	Six months ended September 30, 2009	Change from	Change from
				FY2008	2Q FY2008
Net premiums written	4,180	8,166	3,978	-	(201)
Change	(2.5%)	(4.1%)	(4.8%)	(0.7%)	(2.3%)
Total assets	25,706	24,197	24,359	161	(1,347)
Loss ratio	61.8%	65.0%	65.7%	0.7%	3.9%
Expense ratio	34.2%	34.6%	35.5%	0.9%	1.3%
Combined ratio	95.9%	99.5%	101.1%	1.6%	5.2%
Balance Ratio of revenue and expenditure	4.1%	0.5%	(1.1%)	(1.6%)	(5.2%)
Voluntary Automobile					
Net premiums written	2,355	4,668	2,327	-	(27)
Change	(1.1%)	(1.3%)	(1.2%)	0.1%	(0.1%)
Balance ratio of revenue and expenditure	5.8%	2.3%	0.7%	(1.6%)	(5.1%)
Loss ratio	61.7%	64.8%	65.9%	1.1%	4.2%
Expense ratio	32.4%	32.9%	33.5%	0.6%	1.1%
Fire and Allied Lines					
Net premiums written	494	1,027	480	-	(14)
Change	1.0%	2.4%	(2.8%)	(5.2%)	(3.8%)
Balance ratio of revenue and expenditure	22.1%	20.6%	20.2%	(0.4%)	(1.9%)
Loss ratio	33.4%	35.9%	35.3%	(0.6%)	1.9%
Expense ratio	44.5%	43.5%	44.6%	1.1%	0.1%
Number of employee	9,118	9,075	9,421	346	303
Number of agency	40,031	39,483	39,591	108	(440)

(Notes)

1. Loss ratio = (Net claims paid + Loss adjustment expenses) / Net premiums written x 100
2. Expense ratio = (Commissions and collection expenses + Operating expenses and general and administrative expenses for underwriting) / Net premiums written x 100
3. Combined ratio = Loss ratio + Expense ratio
4. Balance ratio of revenue and expenditure = 100 – Combined ratio
5. Figures represented by % in “Change from FY2008” and “Change from 2Q FY2008” show differences between the end of the respective period and current interim period.

⟨Reference⟩ Key Indicators (Consolidated)

(Yen in 100 millions)

	Six months ended September 30, 2008	For the year ended March 31, 2009	Six months ended September 30, 2009	Change from	Change from
				FY2008	2Q FY2008
Ordinary income	5,372	10,755	5,189	-	(182)
Net premiums written	4,304	8,291	4,086	-	(218)
Change	(2.2%)	(4.9%)	(5.1%)	(0.2%)	(2.9%)
Life insurance premiums	362	712	369	-	7
Change	4.0%	(1.1%)	1.9%	3.0%	(2.1%)
Ordinary profit or loss	114	(230)	276	-	162
Net income or loss	57	(109)	171	-	113

## 2. Other information

### ① Disclosure of Non-performing Loans

#### 【Risk-Monitored Loans】

(Yen in 100 millions)

	As of September 30, 2008	As of March 31, 2009	As of September 30, 2009
Loans to bankrupt borrowers	0	0	0
Delinquent loans	29	15	24
Loans past due 3 months or more	9	13	12
Restructured Loans	2	7	7
Total	41	36	44
(Ratio against the Loans)	1.2%	1.1%	1.3%
〈Reference〉 Loans	3,455	3,494	3,399

#### 【Results of self-assessment】

(Yen in 100 millions)

	As of September 30, 2008	As of March 31, 2009	As of September 30, 2009
Non category	24,123	22,137	22,661
Category II	231	252	254
Category III	3	6	12
Category IV	83	657	46
Sum of Categories II - IV	319	916	313
Total	24,442	23,054	22,975

(Note) The above table records amounts before redemption (before devaluation losses and impairment losses).

### ② Losses on Devaluation of Securities by Impairment

(Yen in 100 millions)

	As of September 30, 2008	As of March 31, 2009	As of September 30, 2009
Domestic Bonds	-	4	-
Domestic Stocks	41	254	30
Foreign Securities	10	248	3
Other Securities	4	116	-
Total	56	624	33

#### • Rule of recognizing impairment losses applied

The Company recognizes impairment losses for marketable available-for-sale securities whenever their fair values at the year end decrease by 30% or more compared to their acquisition costs.

### ③ Conditions of Realized Losses of Securitized Products regarding the Subprime Loan Problem in U.S.

Refer to “Investment Conditions of Securitized Products” on page 27 of “SUMMARY OF FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED September 30, 2009”.

**④ Recognition of Impairment Losses on Property and Equipment**

(Yen in millions)

	As of September 30, 2008	As of March 31, 2009	As of September 30, 2009
Land	0	0	0
Buildings	0	2	0
Other assets	-	-	-
Total	1	3	1

**⑤ Unrealized Gains and Losses of Securities**

(Yen in millions)

	As of September 30, 2008	As of March 31, 2009	As of September 30, 2009
Domestic Bonds	26	56	108
Domestic Stocks	1,120	(1)	550
Foreign Securities	(402)	(404)	(286)
Other Securities	(177)	(197)	(45)
Total	566	(545)	327

**⑥ Sales Conditions of Third Sector Insurance(\*)**

(In hundreds)

	Accumulated numbers as of September 30, 2009		The Company	Subsidiaries
	Total	Change from 2Q FY2008		
Number of contracts	223	22	210	13

(Note) The numbers of contracts for the Company, Subsidiaries and their total represent the accumulated from between April 1, 2009 to September 30, 2009.

\* Summary of medical insurance and cancer insurance except for accident insurance and nursing care insurance

**⑦ Influences of Natural Catastrophe**

(Yen in millions)

	As of September 30, 2008	As of March 31, 2009	As of September 30, 2009
Direct claims	16	28	7
Net claims paid	16	28	7
Claims payable*	12	1	3

(Note) The above lists records claims and claims payable regarding natural catastrophe occurred during current financial periods.

\*Claims payable = net of provision and reversal of outstanding claims

**⑧ Balance, Reserve Ratio and Provision of Catastrophe Reserves**

(Yen in millions)

	As of September 30, 2008			As of March 31, 2009			As of September 30, 2009		
	Balance	Reserve Ratio	Provision	Balance	Reserve Ratio	Provision	Balance	Reserve Ratio	Provision
Fire and Allied Lines	937	96.5%	38	979	97.0%	80	1,007	106.9%	28
Marine	43	71.7%	1	44	79.2%	2	44	127.2%	0
Personal Accident	336	70.2%	7	343	74.5%	14	350	75.6%	7
Voluntary Automobile	904	19.2%	166	769	16.5%	328	665	14.3%	116
Other	253	32.5%	19	268	35.4%	36	278	37.3%	17
Total	2,475	35.4%	232	2,404	34.6%	461	2,347	34.3%	170

(Note) Reserve ratio = Balance of catastrophe reserve / Net premiums written (excluding dwelling earthquake + CALI) × 100

Reserve ratios for second quarter are calculated after net premiums written (excluding dwelling earthquake + CALI) are doubled.

Provision = gross of provision

⑨ Assumed Reinsurance Premiums and Claims by Lines of Insurance

(Yen in 100 millions)

	Six months ended September 30, 2008		Six months ended September 30, 2009	
	Assumed reinsurance premiums	Assumed reinsurance claims	Assumed reinsurance premiums	Assumed reinsurance claims
Fire and Allied Lines	55	11	56	16
Marine	11	6	6	4
Personal Accident	2	5	0	1
Voluntary Automobile	71	36	74	43
Compulsory Automobile Liability	429	508	346	490
Other	29	64	27	34
<b>Total</b>	<b>600</b>	<b>632</b>	<b>511</b>	<b>590</b>

⑩ Insurance Ceded by Lines of Insurance

(Yen in 100 millions)

	Six months ended September 30, 2008		Six months ended September 30, 2009	
	Ceded insurance premiums	Ceded insurance claims	Ceded insurance premiums	Ceded insurance claims
Fire and Allied Lines	145	15	146	9
Marine	10	2	7	3
Personal Accident	17	7	18	8
Voluntary Automobile	26	10	26	13
Compulsory Automobile Liability	496	578	412	572
Other	38	14	33	11
<b>Total</b>	<b>735</b>	<b>630</b>	<b>645</b>	<b>619</b>

⑪ Actual Amounts of Refunds to Policyholders

(Yen in millions)

	As of September 30, 2008	As of March 31, 2009	As of September 30, 2009
Payment failure of incidental claims	17	17	-
Improper nonpayment of claims regarding third sector insurance	-	0	-
<b>Total</b>	<b>17</b>	<b>17</b>	<b>-</b>

Investigation regarding proper conditions of Fire insurance etc.	769	892	99
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(Notes) 1. Actual accumulated amount of refunds is 3,811 million yen as of September 30, 2009.

2. Expected total Accumulated amount of Refunds is 3,915 million yen.