

Consolidated Financial Results for the Third Quarter of the Fiscal Year Ending March 31, 2009

* This is an unofficial English translation of the press release announced on February 13, 2009.

* All amounts are truncated, and all ratios are rounded.

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1. Consolidated Business Results for the Third Quarter of the Fiscal Year Ending March 31, 2009

(1) Consolidated Financial Results

	Operating Income		Ordinary Income		Net Income	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
3Q FY2008	835,067	-	4,539	-	5,738	-
3Q FY2007	883,159	-	12,965	-	11,692	-

Ratios show changes from the previous third quarter.

	Net Income Per Share		Diluted Net Income Per Share	
	Yen		Yen	
3Q FY2008	7.81		7.81	
3Q FY2007	15.91		15.91	

(2) Consolidated Financial Positions

	Total Assets		Net Assets		Equity Ratio		Net Assets Per Share	
	Millions of Yen		Millions of Yen		%		Yen	
3Q FY2008	2,834,188		284,737		10.0		387.57	
FY2007	2,987,234		422,392		14.1		574.83	

(Reference) Equity: 284,533 million yen (As of December 31, 2008), 422,185 million yen (As of March 31, 2008)

2. Dividend Per Share

(Yen)

	First Quarter	First Half	Third Quarter	Year End	Full Year
FY2007	-	-	-	10.00	10.00
FY2008	-	-	-	-	-
FY2008 (Forecast)	-	-	-	10.00	10.00

Note: No adjustment in dividend forecast in this period.

3. Consolidated Business Results Forecast for the Fiscal Year Ending March 31, 2009

	Operating Income		Ordinary Income		Net Income		Net Income Per Share	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Yen	
Full Year	1,070,000	-7.5	4,500	-	5,000	-	6.80	

Ratios show changes from the previous period.

Note: No adjustment in consolidated business results forecast in this period.

4. Other

(1) Changes in significant subsidiaries during the period

(Changes in specified subsidiaries resulting in changes in scope of consolidation): None

(2) Adoption of simple and easy methods, and special accounting treatments for quarterly financial statements: None

(3) Changes in accounting principle, procedure, and treatment in preparing interim financial statements

a. Changes with revisions of accounting standards: Yes

b. Other changes: None

Note: Please refer to 3. Others on page 2 for the details.

(4) The number of stocks issued (Common stocks)

a. The total number of shares issued (Treasury stocks included): 756,201,411 shares (As of December 31, 2008), 756,201,411 shares (As of March 31, 2008)

b. The number of treasury stocks: 22,055,693 shares (As of December 31, 2008), 21,752,158 shares (As of March 31, 2008)

c. The average number of stocks: 734,377,155 shares (As of December 31, 2008), 734,466,958 shares (As of December 31, 2007)

Cautionary Statement with Respect to Forward-Looking Statement and Other Significant Information

1. This report, based on currently available information, contains forward-looking statements about future performance and plans of Aioi Insurance Co., Ltd. and its subsidiaries. These statements do not guarantee future performance and involve known and unknown risks, uncertainties, and other factors that may cause actual results, performance, achievements, or financial positions to be materially different from any future results, performance, achievements or financial positions.

2. Accounting Standard for Quarterly Financial Reporting (Statement No.12) and Guidance on Accounting Standard for Quarterly Financial Reporting (Guidance No.14) issued by the Accounting Standards Board of Japan on March 14, 2007 are adopted in preparing this report. In addition, this report is accordance with a regulation issued by the Financial Services Agency.

Qualitative Information and Financial Statements

1. Consolidated Financial Positions

Total assets decreased by 153.0 billion yen to 2834.1 billion yen as compared with at the end of the previous fiscal year, and net assets was 284.7 billion yen as of December 31, 2008. As a result, equity ratio was 10.0% at the end of this period.

2. Consolidated Financial Results Forecast

As for consolidated business forecast for fiscal 2008, operating income is 1070.0 billion yen, ordinary income is 4.5 billion yen, and net income is 5.0 billion yen. There is no change from the consolidated business results forecast announced on November 19, 2008.

3. Others

(1) Changes in significant subsidiaries during the period (Changes in specified subsidiaries resulting in changes in scope of consolidation): None

(2) Adoption of simple and easy methods, and special accounting treatments for quarterly financial statements: None

(3) Changes in accounting principles, method, and procedure: Yes

1. Accounting Standards for Quarterly Financial Reporting (Statement No.12) and Guidance on Accounting Standard for Quarterly Financial Reporting (Guidance No.14) issued by the Accounting Standards Board of Japan on March 14, 2007 are adopted in preparing this report. In addition, this report is accordance with a regulation and an ordinance issued by the Financial Services Agency.

2. Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements (PITF No.18) issued by the Accounting Standards Board of Japan on May 17, 2006 is adopted from the first quarter of fiscal 2008 to adjust consolidated business results. There is almost no impact on profit and loss.

3. Non-ownership transfer finance lease transactions were treated as lease transactions. However, Accounting Standard for Lease Transaction (Statement No.13) and Guidance on Accounting Standard for Lease Transactions (Guidance No. 16) which were revised on March 30, 2007 are adopted in preparing consolidated interim financial statements after April 1, 2008. We use these standards from the first quarter of fiscal 2008 to treat lease transactions as sales transactions. Lease assets are depreciated over the lease period using the straight-line method with no residual value. As a result, there is almost no impact on profit and loss.

4. Consolidated Quarterly Financial Statements
(1) Consolidated Quarterly Balance Sheet

(Millions of Yen)

	3Q FY2008 As of December 31, 2008	FY2007 As of March 31, 2008
Assets		
Cash and deposits	140,520	105,877
Call loans	-	20,000
Receivables under resale agreements	2,599	7,988
Monetary receivables purchased	21,431	29,736
Money held in trust	7,319	2,222
Securities	1,725,455	1,959,337
Loans receivables	359,088	349,852
Property, plant and equipment	150,095	151,620
Intangible assets	8,487	7,261
Other assets	228,176	238,027
Deferred tax assets	189,875	114,659
Customers' liabilities for acceptances and guarantees	3,000	3,000
Allowance for doubtful accounts	-1,860	-2,350
Total assets	2,834,188	2,987,234
Liabilities		
Reserve for insurance policy liabilities	2,376,554	2,365,349
Outstanding claims	313,991	327,971
Policy reserve and other	2,062,563	2,037,378
Other liabilities	147,263	162,993
Provision for retirement benefits	20,902	19,961
Provision for directors' retirement benefits	45	1,231
Provision for bonuses	248	4,668
Reserves under the special laws	1,437	7,637
Reserve for price fluctuation	1,437	7,637
Acceptances and guarantees	3,000	3,000
Total liabilities	2,549,451	2,564,841
Net assets		
Shareholders' equity		
Capital stock	100,005	100,005
Capital surplus	44,092	44,088
Retained earnings	184,076	185,836
Treasury stock	-7,941	-7,800
Total shareholders' equity	320,232	322,128
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	-35,566	99,129
Foreign currency translation adjustment	-133	927
Total valuation and translation adjustments	-35,699	100,056
Subscription rights to shares	66	-
Minority interests	137	207
Total net assets	284,737	422,392
Total liabilities and net assets	2,834,188	2,987,234

(2) Consolidated Quarterly Statements of Income

(Millions of Yen)

3Q FY2008

From April 1, 2008 to December 31, 2008

Operating income	835,067
Underwriting income	756,437
Net premiums written	632,493
Premiums of saving-type insurance	41,685
Investment income from saving type insurance	16,421
Life insurance premiums	53,705
Reversal of reserve for outstanding claims	11,681
Investment income	76,452
Interest and dividends income	40,945
Gain from money held in trust	285
Gain on trading securities	36
Gain on sales of securities	51,519
Income credited to saving type insurance	-16,421
Other operating income	2,177
Operating expenses	830,528
Underwriting expenses	638,132
Net loss paid	375,733
Loss adjustment expenses	28,636
Commissions and collection fees	120,945
Maturity refunds to policyholders	72,857
Life insurance claims paid	9,396
Provision of policy reserve and other	26,325
Investment expenses	73,852
Loss on sales of securities	12,059
Loss on valuation of securities	35,774
Net derivative financial instruments loss	8,672
Sales and administrative expenses	118,023
Other operating expenses	520
Interest expenses	39
Ordinary income	4,539
Extraordinary income	6,725
Reversal of reserves under the special laws	6,199
Reversal of reserve for price fluctuation	6,199
Other	526
Extraordinary loss	782
Income before income taxes and minority interests	10,482
Income taxes-current	3,965
Income taxes-deferred	849
Minority interests in loss	-70
Net income	5,738

(3) Consolidated Quarterly Statements of Cash Flows

(Millions of Yen)

	3Q FY2008
	From April 1, 2008 to December 31, 2008
Net cash provided by (used in) operating activities	
Income before income taxes and minority interests	10,482
Depreciation and amortization	8,895
Impairment loss	320
Increase (decrease) in outstanding claims	-11,681
Increase (decrease) in policy reserve and other	26,325
Increase (decrease) in allowance for doubtful accounts	-484
Increase (decrease) in provision for retirement benefits	941
Increase (decrease) in provision for directors' retirement benefits	-1,185
Increase (decrease) in provision for bonuses	-4,419
Increase (decrease) in reserve for price fluctuation	-6,199
Interest and dividends income	-40,945
Loss (gain) related to securities	-3,661
Interest expenses	39
Foreign exchange losses (gains)	3,011
Loss (gain) related to property, plant and equipment	-63
Decrease (increase) in other investing and financing activities assets	4,632
Increase (decrease) in other investing and financing activities liabilities	-28,311
Other, net	6,631
Subtotal	-35,673
Interest and dividends income received	38,630
Interest expenses paid	-38
Income taxes paid	5,116
Net cash provided by (used in) operating activities	8,035
Net cash provided by (used in) investment activities	
Net increase (decrease) in cash and deposits	-2,638
Purchases of monetary receivables purchased	-11
Proceeds from sales and redemption of monetary receivables purchased	8,158
Increase in money held in trust	-7,329
Decrease in money held in trust	2,300
Purchase of short-term investment securities	-514,109
Proceeds from sales and redemption of securities	547,515
Payments of loans receivable	-70,602
Collection of loans receivable	60,961
Other, net	-4,034
Total of net cash provided by (used in) investment transactions	20,210
Total of net cash provided by (used in) operating activities and investment transactions	28,246
Purchase of property, plant and equipment	-6,863
Proceeds from sales of property, plant and equipment	1,595
Other, net	-2,752
Net cash provided by (used in) investment activities	12,190
Net cash provided by (used in) financing activities	
Proceeds from disposal of treasury stock	28
Purchase of treasury stock	-164
Cash dividends paid	-7,344
Other, net	-275
Net cash provided by (used in) financing activities	-7,755
Effect of exchange rate change on cash and cash equivalents	-4,905
Net increase (decrease) in cash and cash equivalents	7,564
Cash and cash equivalents at beginning of period	127,841
Cash and cash equivalents at end of period	135,406

Accounting Standard for Quarterly Financial Reporting (Statement No.12) and Guidance on Accounting Standard for Quarterly Financial Reporting (Guidance No.14) issued by the Accounting Standards Board of Japan on March 14, 2007 are adopted in preparing this report. In addition, this report is accordance with a regulation and an ordinance issued by the Financial Services Agency.

(4) Note related to the premise of a going concern

None

(5) Segment Information

a. Segment Information by Class of Business

Third Quarter FY2008 (From April 1, 2008 to December 31, 2008)

(Millions of Yen)

	Non-life Insurance	Life Insurance	Total	Elimination	Consolidated
Operating Income	784,266	59,813	844,080	-9,012	835,067
Ordinary Income	3,205	1,334	4,539	-0	4,539

Note:

(i) Segments are classified based on characteristics of operation of the parent company and its consolidated subsidiaries.

(ii) Major operations of each segment are as follows:

Non-life insurance- Underwriting property, casualty insurance, and investing activities

Life insurance- Underwriting life insurance and investing activities

b. Segment Information by Location

Third Quarter FY2008 (From April 1, 2008 to December 31, 2008)

Segment information by location is omitted, because domestic sales and assets constitute more than 90% of the aggregated amount of operating income and assets of all segments.

c. Overseas Sales

Third Quarter FY2008 (From April 1, 2008 to December 31, 2008)

Information of overseas sales is omitted, because overseas operating income constitute less than 10% of consolidated operating income.

(6) Note if the amount of shareholders' equity significantly changed

None

(Reference)

Consolidated Statements of Income for the Third Quarter of Fiscal 2007

(Millions of Yen)

Item	Period	3Q FY2007 From April 1, 2007 to December 31, 2007
Operating income		883,159
Underwriting income		777,146
Net premiums written		657,733
Premiums of saving-type insurance		46,427
Investment income from saving-type insurance		15,971
Life insurance premiums		53,324
Reversal of reserve for outstanding claims		3,016
Investment Income		105,054
Interest and dividends income		75,621
Gains from money held in trust		4
Gains on sales of securities		44,636
Income credited to saving type insurance		-15,971
Other operating income		958
Operating expenses		870,194
Underwriting expenses		672,869
Net loss paid		372,105
Loss adjustment expenses		27,345
Commissions and collection fees		120,871
Maturity refunds to policyholders		81,801
Life insurance claims paid		9,211
Provision for policy reserve and other		60,728
Investment expenses		81,917
Loss on trading securities		1
Loss on sales of securities		2,150
Losses on valuation of securities		12,705
Loss on derivatives		66,777
Sales and administrative expenses		113,131
Other operating expenses		2,275
Interest expenses		11
Ordinary income		12,965
Extraordinary income		8,158
Extraordinary loss		3,504
Provision for reserves under the special laws		935
Reserve for price fluctuation		935
Others		2,568
Income before income taxes and minority interests		17,619
Tax adjustments-current		9,026
Tax adjustments-deferred		-3,094
Minority interests in loss		5
Net income		11,692

5. Other Information

Summary of Consolidated Statements of Income

(Millions of Yen)

	3Q FY2007 From April 1, 2007 to December 31, 2007	3Q FY2008 From April 1, 2008 to December 31, 2008	Change	Rate of Change %
Underwriting income	777,146	756,437	-20,708	-2.7
Net premiums written	657,733	632,493	-25,240	-3.8
Premiums of saving-type insurance	46,427	41,685	-4,741	-10.2
Life insurance premiums	53,324	53,705	381	0.7
Reversal of reserve for outstanding claims	3,016	11,681	8,665	287.2
Underwriting expenses	672,869	638,132	-34,737	-5.2
Net loss paid	372,105	375,733	3,627	1.0
Loss adjustment expenses	27,345	28,636	1,290	4.7
Commissions and collection fees	120,871	120,945	74	0.1
Maturity refunds to policyholders	81,801	72,857	-8,944	-10.9
Life insurance claims paid	9,211	9,396	184	2.0
Provision for policy reserve and other	60,728	26,325	-34,402	-56.7
Investment income	105,054	76,452	-28,602	-27.2
Interest and dividends income	75,621	40,945	-34,675	-45.9
Gains on sales of securities	44,636	51,519	6,883	15.4
Investment expenses	81,917	73,852	-8,064	-9.8
Loss on sales of securities	2,150	12,059	9,908	460.8
Loss on valuation of securities	12,705	35,774	23,068	181.6
Loss on derivatives	66,777	8,672	-58,105	-87.0
Sales and administrative expenses	113,131	118,023	4,891	4.3
Other ordinary income and loss	-1,316	1,657	2,973	-
Ordinary income	12,965	4,539	-8,425	-65.0
Extraordinary income	8,158	6,725	-1,432	-17.6
Extraordinary loss	3,504	782	-2,722	-77.7
Extraordinary income and loss	4,653	5,943	1,289	27.7
Income before income taxes and minority interests	17,619	10,482	-7,136	-40.5
Tax adjustments-current	9,026	3,965	-5,061	-56.1
Tax adjustments-deferred	-3,094	849	3,944	-
Minority interests in loss	5	70	64	-
Net income	11,692	5,738	-5,954	-50.9

Note: The figures for the previous third quarter are listed using same methods, except adoptions of Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements and Accounting Standard for Lease Transaction, as this period for comparison.

Consolidated Premiums and Losses by Class

Direct Premium Written by Class of Business

(Millions of Yen)

	3Q FY2007 From April 1, 2007 to December 31, 2007			3Q FY2008 From April 1, 2008 to December 31, 2008		
	Amount	Proportion	Change	Amount	Proportion	Change
Fire and Allied Lines	101,334	13.8	-2.5	103,658	14.8	2.3
Marine	4,058	0.6	-0.6	4,053	0.6	-0.1
Personal Accident	71,644	9.7	-8.0	66,459	9.5	-7.2
Voluntary Automobile	367,921	50.1	0.2	362,342	51.7	-1.5
Compulsory Automobile Liability	128,811	17.5	0.9	103,359	14.7	-19.8
Other	60,950	8.3	8.5	61,030	8.7	0.1
Total	734,721	100.0	-0.3	700,904	100.0	-4.6
(Including premiums of saving-type insurance)	46,427	6.3	-11.4	41,685	5.9	-10.2

Net Premiums Written by Class of Business

(Millions of Yen)

	3Q FY2007 From April 1, 2007 to December 31, 2007			3Q FY2008 From April 1, 2008 to December 31, 2008		
	Amount	Proportion	Change	Amount	Proportion	Change
Fire and Allied Lines	74,151	11.3	-1.5	75,639	12.0	2.0
Marine	4,649	0.7	6.6	4,277	0.7	-8.0
Personal Accident	36,884	5.6	-1.6	34,919	5.5	-5.3
Voluntary Automobile	369,915	56.2	0.6	365,463	57.8	-1.2
Compulsory Automobile Liability	112,808	17.2	0.2	93,309	14.7	-17.3
Other	59,327	9.0	8.9	58,886	9.3	-0.7
Total	657,736	100.0	0.9	632,495	100.0	-3.8

Net Loss Paid by Class of Business

(Millions of Yen)

	3Q FY2007 From April 1, 2007 to December 31, 2007			3Q FY2008 From April 1, 2008 to December 31, 2008		
	Amount	Proportion	Change	Amount	Proportion	Change
Fire and Allied Lines	25,370	6.8	-23.0	25,017	6.7	-1.4
Marine	2,905	0.8	46.1	1,837	0.5	-36.7
Personal Accident	14,951	4.0	8.2	16,281	4.3	8.9
Voluntary Automobile	213,787	57.5	3.8	215,766	57.4	0.9
Compulsory Automobile Liability	75,339	20.2	-1.2	76,126	20.3	1.0
Other	39,750	10.7	-10.7	40,704	10.8	2.4
Total	372,105	100.0	-0.9	375,733	100.0	1.0

Note: The figures in the above tables are before offsetting of internal transactions among segments.

Consolidated Securities

1. Marketable Bonds Held to Maturity

None

2. Marketable Bonds Earmarked for Underwriting Reserve

(Millions of Yen)

	3Q FY2008 (As of December 31, 2008)			FY2007 (As of March 31, 2008)		
	Balance Sheet Amount	Fair Value	Difference	Balance Sheet Amount	Fair Value	Difference
Bonds	294,563	310,602	16,038	272,225	279,740	7,514
Foreign securities	3,038	3,284	246	2,971	3,181	210
Total	297,601	313,887	16,285	275,197	282,922	7,725

3. Marketable Securities for Available for Sale

(Millions of Yen)

	3Q FY2008 (As of December 31, 2008)			FY2007 (As of March 31, 2008)		
	Cost	Balance Sheet Amount	Difference	Cost	Balance Sheet Amount	Difference
Bonds	670,894	688,947	18,052	782,994	795,322	12,327
Equity securities	278,137	287,045	8,908	239,430	405,487	166,056
Foreign securities	379,006	315,109	-63,897	390,852	374,696	-16,156
Other securities	133,302	114,971	-18,330	109,484	102,562	-6,921
Total	1,461,341	1,406,075	-55,266	1,522,762	1,678,068	155,306

Note:

Other securities include beneficiary right of loan receivables, which are classified as monetary receivables purchased in the consolidated balance sheets.

4. Impairment Loss on Available-for-Sale Securities

3Q FY2008 (As of December 31, 2008)	FY2007 (As of March 31, 2008)
The parent company and Aioi Life Insurance recognized 35,774 million yen as impairment loss for available-for-sale securities. The parent company and its domestic subsidiaries basically reevaluate marketable securities available for sale when fair value of the securities as of the end of the third quarter declined by more than 30% compared to their cost.	The parent company and Aioi Life Insurance recognized 12,512 million yen as impairment loss. Available-for-sale securities are reevaluated when fair value of the securities as of the end of fiscal 2007 declined by more than 30% compared to their cost.

Consolidated Derivative Transaction

(Millions of Yen)

Type	Transaction	3Q FY2008 (As of December 31, 2008)			FY2007 (As of March 31, 2008)		
		Contract Amount	Fair Value	Valuation Gains and Losses	Contract Amount	Fair Value	Valuation Gains and Losses
Foreign Exchange	Forward Buying	69,494	70,934	1,439	77,170	75,206	-1,963
Interest Rate Swaps		3,500	178	178	3,500	153	153
Others	Credit Derivatives Selling	142,545	-48,507	-48,507	158,665	-43,490	-43,490
Total		-	-	-46,889	-	-	-45,300

Summary of Non-Consolidated Statements of Income

(Millions of Yen)

Item \ Period	3Q FY2007 From April 1, 2007 to December 31, 2007	3Q FY2008 From April 1, 2008 to December 31, 2008	Change	Rate of Change
				%
Direct net premium including savings type insurance premium income	714,412	681,407	-33,005	-4.6
Direct net premium	667,985	639,721	-28,263	-4.2
Underwriting income	708,914	698,705	-10,208	-1.4
Net premiums written	641,746	617,180	-24,566	-3.8
Premiums of saving-type insurance	46,427	41,685	-4,741	-10.2
Reversal of reserve for outstanding claims	4,237	12,011	7,774	183.5
Reversal of policy reserve and other	-	11,045	11,045	-
Underwriting expenses	597,148	581,880	-15,267	-2.6
Net loss paid	361,558	366,706	5,148	1.4
Loss adjustment expenses	26,900	27,912	1,012	3.8
Commissions and collection fees	111,604	110,174	-1,429	-1.3
Maturity refunds to policyholders	81,801	72,857	-8,944	-10.9
Provision of policy reserve and other	14,548	-	-14,548	-100.0
Investment income	99,508	70,167	-29,340	-29.5
Interest and dividends income	70,127	34,720	-35,406	-50.5
Gains on sales of securities	44,556	51,498	6,941	15.6
Investment expenses	81,787	73,217	-8,570	-10.5
Loss on sales of securities	2,036	11,814	9,778	480.1
Loss on valuation of securities	12,705	35,738	23,032	181.3
Loss on derivatives	66,778	8,672	-58,105	-87.0
Sales and administrative expenses	105,071	108,259	3,188	3.0
Sales and administrative expenses for underwriting	99,281	101,971	2,689	2.7
Other ordinary income and loss	-499	1,774	2,273	-
Ordinary income	23,915	7,290	-16,625	-69.5
Underwriting profit and loss	10,831	13,262	2,430	22.4
Extraordinary income	8,158	6,783	-1,374	-16.8
Extraordinary loss	3,382	2,587	-794	-23.5
Extraordinary income and loss	4,776	4,195	-580	-12.2
Income before income taxes and minority interests	28,692	11,485	-17,206	-60.0
Tax adjustments-current	8,980	3,742	-5,238	-58.3
Tax adjustments-deferred	-192	371	563	-
Net income	19,904	7,372	-12,531	-63.0
Loss ratio	60.5%	63.9%	/	/
Expense ratio	32.9%	34.4%	/	/

Note:

- Underwriting profit = Underwriting income – (Underwriting expenses + Sales and administrative expenses for underwriting) ± Other revenue and spending
- Loss ratio = (Net loss paid + Loss adjustment expenses) / Net premiums written x 100
- Expense ratio = (Commissions and collection fees + Sales and administrative expenses for underwriting) / Net premiums written x 100
- The above table is a summary of non-consolidated statements of income based on a regulation for quarterly financial reporting issued by the Financial Services Agency but is not required to disclose by a law.

Non-Consolidated Premiums and Losses by Class

Direct Premium Written by Class of Business

(Millions of Yen)

	3Q FY2007 From April 1, 2007 to December 31, 2007			3Q FY2008 From April 1, 2008 to December 31, 2008		
	Amount	Proportion	Change	Amount	Proportion	Change
Fire and Allied Lines	87,900	13.2	-2.0	90,946	14.2	3.5
Marine	4,058	0.6	2.9	4,053	0.6	-0.1
Personal Accident	38,963	5.8	-1.3	37,583	5.9	-3.5
Voluntary Automobile	352,090	52.7	-0.2	346,634	54.2	-1.5
Compulsory Automobile Liability	128,811	19.3	0.9	103,359	16.2	-19.8
Other	56,160	8.4	4.2	57,143	8.9	1.8
Total	667,985	100.0	0.1	639,721	100.0	-4.2
(Including premiums of saving-type insurance)	714,412		-0.7	681,407		-4.6

Net Premiums Written by Class of Business

(Millions of Yen)

	3Q FY2007 From April 1, 2007 to December 31, 2007			3Q FY2008 From April 1, 2008 to December 31, 2008		
	Amount	Proportion	Change	Amount	Proportion	Change
Fire and Allied Lines	74,087	11.5	-0.5	75,615	12.2	2.1
Marine	4,645	0.7	6.5	4,294	0.7	-7.6
Personal Accident	36,876	5.8	-1.6	34,912	5.7	-5.3
Voluntary Automobile	356,660	55.6	0.3	352,529	57.1	-1.2
Compulsory Automobile Liability	112,808	17.6	0.2	93,309	15.1	-17.3
Other	56,667	8.8	5.2	56,518	9.2	-0.3
Total	641,746	100.0	0.5	617,180	100.0	-3.8

Net Loss Paid by Class of Business

(Millions of Yen)

	3Q FY2007 From April 1, 2007 to December 31, 2007			3Q FY2008 From April 1, 2008 to December 31, 2008		
	Amount	Change	Loss Ratio	Amount	Change	Loss Ratio
Fire and Allied Lines	25,040	-23.6	35.1	24,973	-0.3	34.6
Marine	2,899	46.1	64.5	1,839	-36.5	44.6
Personal Accident	14,946	8.4	44.2	16,279	8.9	50.3
Voluntary Automobile	204,180	3.0	61.7	207,270	1.5	63.5
Compulsory Automobile Liability	75,339	-1.2	72.7	76,126	1.0	88.5
Other	39,150	-12.0	72.5	40,216	2.7	75.2
Total	361,558	-1.6	60.5	366,706	1.4	63.9

Note: Loss ratio = (Net loss paid + Loss adjustment expenses) / Net Premiums Written x 100

Investment Conditions of Securitized Products

We invest in securitized products, such as marketable securities and credit derivatives. The booked amount of marketable securities was 49.7 billion yen equivalent, and the notional amount of credit derivatives was 142.5 billion yen equivalent as of December 31, 2008. ABS-CDOs in credit derivative transactions partially contain subprime related loans, but marketable securities do not contain any subprime related loans.

1. Investment Conditions of Marketable Securities (As of December 31, 2008)

(100 Millions of Yen)

	Booked Amount		Fair Value		Unrealized Profit and Loss		Profit and Loss for the Third Quarter of FY2008		
		Change from March 31, 2008		Change from March 31, 2008		Change from March 31, 2008	Evaluation Loss	Profit and Loss on Sale	Total
Total Amount of Securitized Products	497	-260	477	-265	-20	-4	-24	-8	-33

(1) Special Purpose Entity (SPE)

There is no SPE structured by our company. We do not supplement liquidity in SPEs.

(100 Millions of Yen)

	Booked Amount		Fair Value		Unrealized Profit and Loss		Profit and Loss for the Third Quarter of FY2008		
		Change from March 31, 2008		Change from March 31, 2008		Change from March 31, 2008	Evaluation Loss	Profit and Loss on Sale	Total
Total Amount	3	-	7	-1	3	-1	-	-	-
ABCP	-	-	-	-	-	-	-	-	-
Bond Issued by SIV*	3	-	7	-1	3	-1	-	-	-
Other	-	-	-	-	-	-	-	-	-

* We hold subordinated bonds issued by Structured Investment Vehicles (SIVs). More than 70% of pledged assets for the bonds as collaterals keep AAA ratings, and more than 90% of the assets keep higher than BBB ratings. More than half of the bonds are Residential Mortgage Backed Securities (RMBSs) and Commercial Mortgage Backed Securities (CMBSs). RMBSs do not contain subprime related exposure but partially contain Alt-A exposure. Percentages of pledged assets by country are about 64% for the U.S., and about 33% for Europe. The average remaining period of pledged assets is 4.0 years.

(2) Collateralized Debt Obligation

We hold Collateralized Loan Obligations (CLOs), one of Collateralized Debt Obligations (CDOs), but these CLOs do not contain subprime related exposure and Alt-A exposure.

(100 Millions of Yen)

	Booked Amount		Fair Value		Unrealized Profit and Loss		Profit and Loss for the Third Quarter of FY2008		
		Change from March 31, 2008		Change from March 31, 2008		Change from March 31, 2008	Evaluation Loss	Profit and Loss on Sale	Total
Total Amount	14	-36	11	-30	-3	5	-24	-1	-26
CLO*	14	-36	11	-30	-3	5	-24	-1	-26
Other	-	-	-	-	-	-	-	-	-

* We hold overseas equities.

(3) Other Securitized Product

The below chart shows the amounts of other marketable securities. Subprime related exposure and Alt-A exposure are not included.

(100 Millions of Yen)

	Booked Amount		Fair Value		Unrealized Profit and Loss		Profit and Loss for the Third Quarter of FY2008		
		Change from March 31, 2008		Change from March 31, 2008		Change from March 31, 2008	Evaluation Loss	Profit and Loss on Sale	Total
Total Amount	479	-224	458	-233	-21	-8	-	-6	-6
CMBS	49	-23	49	-23	-0	0	-	-	-
RMBS	301	-113	304	-115	2	-2	-	-1	-1
ABS and Other	128	-87	105	-93	-23	-6	-	-5	-5

Overseas exposures in the above chart are as follows:

(100 Millions of Yen)

	Booked Amount		Fair Value		Unrealized Profit and Loss		Profit and Loss for the Third Quarter of FY2008		
		Change from March 31, 2008		Change from March 31, 2008		Change from March 31, 2008	Evaluation Loss	Profit and Loss on Sale	Total
Total Amount	80	-40	57	-47	-23	-6	-	-5	-5
CMBS	-	-	-	-	-	-	-	-	-
RMBS	-	-	-	-	-	-	-	-	-
ABS and Other	80	-40	57	-47	-23	-6	-	-5	-5

2. Investment Conditions of Credit Derivative Transaction (As of December 31, 2008)

We hold ABS-CDOs, Corporate CDOs, and CDSs (Credit Derivative Swaps). These ABS-CDOs contain subprime related exposure and Alt-A exposure, but Corporate CDOs and CDSs do not contain these exposures. We traded exchange hedges but did not trade any other hedges as of December 31, 2008.

(100 Millions of Yen)

	Notional Amount		Evaluation Profit and Loss		Outstanding Exposure		Profit and Loss for the Third Quarter of FY2008		
		Change from March 31, 2008		Change from March 31, 2008		Change from March 31, 2008	Fair Value Change	Cancellation	Total
Total Amount	1,425	-161	-485	-50	940	-211	-50	-0	-50
ABS-CDO*	464	-71	-435	-25	29	-97	-25	-	-25
Corporate CDO**	700	-59	-45	-22	655	-82	-22	-	-22
CDS	260	-30	-4	-1	255	-31	-1	-0	-1
							Currency hedge loss (Exchange contract)		-39
							Subprime related profit and loss (Total)		-65

Overseas exposures in the above chart are as follows:

(100 Millions of Yen)

	Notional Amount		Evaluation Profit and Loss		Outstanding Exposure		Profit and Loss for the Third Quarter of FY2008		
		Change from March 31, 2008		Change from March 31, 2008		Change from March 31, 2008	Fair Value Change	Cancellation	Total
Total Amount	715	-131	-435	-24	279	-156	-24	-	-24
ABS-CDO	464	-71	-435	-25	29	-97	-25	-	-25
Corporate CDO	250	-59	-0	0	250	-58	0	-	0
CDS	-	-	-	-	-	-	-	-	-

* The loss on ABS-CDOs including currency hedges (subprime related loss) for this period was 6.5 billion yen. The ratings of ABS-CDOs, which partially contain subprime related loans, are 23.5% for BBB and 76.5% for BB and below due to conditions of underlying assets and tranches. Over half of underlying assets of these ABS-CDOs are RMBSs, and the other underlying assets are CMBSs, credit card receivables, leasing receivables, and student loans.

** About 90% of Corporate CDOs keep AAA ratings, and the other Corporate CDOs keep higher than A ratings. Underlying assets of Corporate CDOs are CDSs for domestic companies and overseas companies. The percentages of the underlying assets are about 65% for Japan, about 20% for Europe, and about 10% for the U.S.

3. Other Conditions (As of December 31, 2008)

We do not implement leveraged finance deals and do not underwrite reinsurances of financial guarantee insurances and monoline insurers. Furthermore we do not hold securitized products and bonds, such as RMBS, issued by housing enterprise sponsored by the American government. The consolidated subsidiaries do not hold securitized products.

Note: Page 14 and 15 are based on a guideline issued by the Financial Stability Forum held on April 2008. These pages include contents based on information from outside financial institutions which have business relationships with us.

AIOI INSURANCE COMPANY, LIMITED

References of Non-Consolidated Financial Results for the Third Quarter of Fiscal 2008

1. Direct Premiums and Losses by Class
2. Inwards Reinsurance Premiums and Claims by Class
3. Net Operating Expenses
4. Catastrophe Reserves
5. Total Assets and Managed Assets
6. Investment Income and Expense
7. Securities

1. Direct Premiums and Losses by Class

(1) Direct Premiums Written by Class of Business

(Millions of Yen)

	3Q FY2007		3Q FY2008		FY2007	
		Change (%)		Change (%)		Change (%)
Fire and Allied Lines	87,900	-2.0	90,946	3.5	117,476	-2.6
Marine	4,058	2.9	4,053	-0.1	5,551	2.9
Personal Accident	38,963	-1.3	37,583	-3.5	50,583	-2.2
Voluntary Automobile	352,090	-0.2	346,634	-1.5	466,731	-0.3
Compulsory Automobile Liability	128,811	0.9	103,359	-19.8	157,532	-7.6
Other	56,160	4.2	57,143	1.8	73,916	2.8
Total	667,985	0.1	639,721	-4.2	871,793	-1.9

(2) Net Premiums Written by Class of Business

(Millions of Yen)

	3Q FY2007		3Q FY2008		FY2007	
		Change (%)		Change (%)		Change (%)
Fire and Allied Lines	74,087	-0.5	75,615	2.1	100,326	-1.7
Marine	4,645	6.5	4,294	-7.6	6,435	-0.7
Personal Accident	36,876	-1.6	34,912	-5.3	47,882	-2.7
Voluntary Automobile	356,660	0.3	352,529	-1.2	472,766	0.1
Compulsory Automobile Liability	112,808	0.2	93,309	-17.3	149,545	-0.1
Other	56,667	5.2	56,518	-0.3	74,891	4.6
Total	641,746	0.5	617,180	-3.8	851,849	0.1

(3) Net Loss Paid by Class of Business

(Millions of Yen)

	3Q FY2007		3Q FY2008			FY2007		
		Net Loss Ratio (%)*		Net Loss Ratio (%)*	Change (%)		Net Loss Ratio (%)*	Change (%)
Fire and Allied Lines	25,040	35.1	24,973	34.6	-0.5	35,823	37.3	-6.9
Marine	2,899	64.5	1,839	44.6	-19.9	3,610	57.7	14.0
Personal Accident	14,946	44.2	16,279	50.3	6.1	20,390	45.7	4.7
Voluntary Automobile	204,180	61.7	207,270	63.5	1.8	277,946	63.3	1.7
Compulsory Automobile Liability	75,339	72.7	76,126	88.5	15.8	100,168	72.3	0.3
Other	39,150	72.5	40,216	75.2	2.7	57,141	80.0	-10.2
Total	361,558	60.5	366,706	63.9	3.4	495,081	62.2	-0.2

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

2. Inwards Reinsurance Premiums and Claims by Class

(1) Net Inwards Reinsurance Premiums by Class of Business

(Millions of Yen)

	3Q FY2007		3Q FY2008		FY2007	
		Change (%)		Change (%)		Change (%)
Fire and Allied Lines	7,514	1.0	7,295	-2.9	9,509	-1.9
Marine	1,761	22.8	1,659	-5.8	2,364	1.0
Personal Accident	500	-4.8	71	-85.7	740	-9.8
Voluntary Automobile	8,920	20.8	10,077	13.0	11,543	20.0
Compulsory Automobile Liability	82,674	-0.2	59,505	-28.0	110,569	0.4
Other	6,359	-16.2	4,850	-23.7	8,384	-9.5
Total	107,732	0.5	83,460	-22.5	143,112	0.9

(2) Net Inwards Reinsurance Claims by Class of Business

(Millions of Yen)

	3Q FY2007		3Q FY2008		FY2007	
		Loss Ratio (%)*		Loss Ratio (%)*		Loss Ratio (%)*
Fire and Allied Lines	2,456	32.7	1,885	25.8	4,781	50.3
Marine	1,746	99.1	969	58.4	2,210	93.5
Personal Accident	239	47.9	270	377.3	322	43.6
Voluntary Automobile	5,741	64.4	6,106	60.6	7,973	69.1
Compulsory Automobile Liability	75,339	91.1	76,126	127.9	100,168	90.6
Other	10,233	160.9	9,614	198.2	17,543	209.2
Total	95,756	88.9	94,972	113.8	132,999	92.9

* Loss ratio = Net inwards reinsurance premiums / Net inwards reinsurance claims x 100

3. Net Operating Expenses

(Millions of Yen)

		3Q FY2007		3Q FY2008		
			Expense Ratio (%)		Change (%)	Expense Ratio (%)
Loss Adjustment Expenses + Sales and Administrative Expenses	Labor Cost	66,751	10.4	68,407	2.5	11.1
	Non-Personal Expenses	57,621	9.0	60,100	4.3	9.7
	Tax and Other	7,598	1.2	7,664	0.9	1.2
	Subtotal	131,971	20.6	136,172	3.2	22.1
Sales and Administrative Expenses for Underwriting		99,281	15.5	101,971	2.7	16.5
Commissions and Collection Fees		111,604	17.4	110,174	-1.3	17.9
Net Operating Expenses		210,886	32.9	212,146	0.6	34.4

		FY2007		
			Change (%)	Expense Ratio (%)
Loss Adjustment Expenses + Sales and Administrative Expenses	Labor Cost	89,197	0.0	10.5
	Non-Personal Expenses	80,885	6.3	9.5
	Tax and Other	9,498	-2.7	1.1
	Subtotal	179,581	2.6	21.1
Sales and Administrative Expenses for Underwriting		136,431	3.1	16.0
Commissions and Collection Fees		147,020	0.9	17.3
Net Operating Expenses		283,451	1.9	33.3

4. Catastrophe Reserves

(Millions of Yen)

	3Q FY2007		FY2007		3Q FY2008		Change from 3Q FY2007	Change from FY2007
	Amount	Reserve Ratio (%)*	Amount	Reserve Ratio (%)*	Amount	Reserve Ratio (%)*		
Fire and Allied Lines	87,836	90.5	89,902	91.3	95,807	96.7	7,971	5,904
Marine	4,141	66.9	4,215	65.5	4,399	76.8	258	183
Personal Accident	32,516	66.1	32,861	68.6	33,957	72.9	1,441	1,096
Voluntary Automobile	96,574	20.3	91,099	19.3	84,054	17.9	-12,520	-7,045
Other	23,492	31.1	24,302	32.5	26,074	34.6	2,582	1,771
Total	244,561	34.8	242,382	34.6	244,293	35.1	-268	1,910

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

Note: Reserve ratio for the third quarter is calculated after net premiums written (excluding dwelling EQ/ CALI) is multiplied by 4/3.

5. Total Assets and Managed Assets

(Millions of Yen)

	FY2007		3Q FY2008	
				Change
Cash and Deposits	77,051		113,750	36,699
Call Loans	20,000		-	-20,000
Monetary Receivables Purchased	29,736		21,431	-8,304
Money Held in Trust	2,222		7,319	5,096
Securities	1,678,821		1,406,057	-272,764
Bonds	733,105		609,031	-124,074
Equity Securities	468,033		359,572	-108,461
Foreign Securities	394,465		338,966	-55,499
Other Securities	83,216		98,487	15,270
Loans Receivables	340,228		348,068	7,840
Property, Plant and Equipment	150,335		148,853	-1,482
Intangible Assets	4,716		5,765	1,049
Other Assets	223,543		212,970	-10,573
Deferred Tax Assets	111,236		187,373	76,137
Customers' Liabilities for Acceptances and Guarantees	3,000		3,000	-
Allowance for Doubtful Accounts	-2,295		-1,750	545
Total Assets	2,638,595		2,452,839	-185,756
Managed Assets	2,285,812		2,035,452	-250,360
(Reference)				
Long-lived Assets	573,258		551,833	-21,424

6. Investment Income and Expense

(Millions of Yen)

	3Q FY2007	3Q FY2008	Change		FY2007
Interest and Dividends Income	70,127	34,720		-35,406	81,864
Gain and Loss on Sales of Securities	42,520	39,683		-2,836	39,086
Loss on Valuation of Securities	-12,705	-35,738		-23,032	-12,496
Gain and Loss on Derivatives*	-66,778	-8,672		58,105	-84,774
Other Investment Gains and Losses	528	-16,621		-17,150	-1,560
Investment Income on Premiums for Maturity of Refundable Portion of Long-Term and Other Insurance	-15,971	-16,421		-449	-22,106
Investment Income and Loss	17,720	-3,049		-20,770	13

* Valuation profit and loss of derivative transaction at the end of the period are included.

(References) Investment and Dividends Income

(Millions of Yen)

	3Q FY2007	3Q FY2008	Change		FY2007
Securities	60,190	24,774		-35,416	68,671
Bonds	8,329	8,182		-146	11,204
Equity Securities	8,453	9,199		745	8,858
Foreign Securities	30,861	6,832		-24,028	35,771
Other Securities	12,546	559		-11,986	12,837
Loans	5,041	5,054		13	6,735
Land and Buildings	3,838	3,893		54	5,121
Others	1,056	999		-57	1,335
Total	70,127	34,720		-35,406	81,864

7. Securities

(1) Unrealized Profit and Loss on Securities

(Millions of Yen)

3Q FY2008	Cost	Fair Value	Unrealized Gains and Losses	
				Change
Bonds	594,504	608,911	14,407	3,761
Equity Securities	277,414	286,069	8,655	-156,518
Foreign Securities	375,893	312,046	-63,846	-47,714
Others	133,202	114,871	-18,330	-11,273
Total	1,381,014	1,321,899	-59,114	-211,745

FY2007	Cost	Fair Value	Unrealized Gains and Losses	
Bonds	722,111	732,757	10,645	
Equity Securities	238,707	403,880	165,173	
Foreign Securities	386,710	370,579	-16,131	
Others	108,395	101,339	-7,056	
Total	1,455,924	1,608,556	152,631	

Note: 1. Available-for-sale securities in the above tables are fairly valued on the market.

2. Monetary receivables purchased is included in others.

(2) Gain and Loss on Sales of Securities

(Millions of Yen)

	3Q FY2007	3Q FY2008	Change		FY2007
Bonds	5,210	5,638		427	5,587
Equity Securities	6,750	43,076		36,326	9,833
Foreign Securities	22,102	-10,548		-32,650	15,576
Others	8,457	1,517		-6,939	8,089
Total	42,520	39,683		-2,836	39,086

(3) Loss on Valuation of Securities by Impairment

(Millions of Yen)

	3Q FY2007	3Q FY2008	Change		FY2007
Bonds	-	279		279	-
Equity Securities	6,869	14,735		7,865	8,463
Foreign Securities	5,835	10,114		4,278	3,421
Others	-	10,608		10,608	611
Total	12,705	35,738		23,032	12,496