

Consolidated Financial Results for the First Half of the Fiscal Year Ending March 31, 2009

* This is an unofficial English translation of the press release announced on November 19, 2008.

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

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1. Consolidated Business Results for the First Half 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	%
First Half FY2008	537,275	-5.5	11,473	11.7	5,757	-43.7
First Half FY2007	568,518	5.0	10,267	-15.2	10,218	24.4

Ratios show changes from the previous first half.

	Net Income Per Share	Diluted Net Income Per Share
	Yen	Yen
First Half FY2008	7.83	7.83
First Half FY2007	13.91	13.91

(2) Consolidated Financial Positions

	Total Assets	Net Assets	Equity Ratio	Net Assets Per Share
	Millions of Yen	Millions of Yen	%	Yen
First Half FY2008	2,944,311	358,617	12.2	488.03
FY2007	2,987,234	422,392	14.1	574.83

(Reference) Equity: 358,412 million yen (As of September 30, 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: Consolidated business results forecast is adjusted 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) 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 3 for the details.

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

a. The total number of the shares issued (Treasury stocks included): 756,201,411 shares (As of September 30, 2008), 756,201,411 shares (As of March 31, 2008)

b. The number of treasury stocks: 21,799,131 shares (As of September 30, 2008), 21,752,158 shares (As of March 31, 2008)

c. The average number of stocks: 734,431,328 shares (As of September 30, 2008), 734,476,053 shares (As of September 30, 2007)

(Non-Consolidated Business Results)

1. Non-Consolidated Business Results for the First Half of the Fiscal Year Ending March 31, 2009

(1) Non-Consolidated Financial Results

	Net Premiums Written		Ordinary Income		Net Income	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
First Half FY2008	418,044	-2.5	13,296	-35.5	6,593	-62.9
First Half FY2007	428,624	0.4	20,600	59.7	17,747	95.7

Ratios show changes from the previous first half.

	Net Income Per Share
	Yen
First Half FY2008	8.97
First Half FY2007	24.16

(2) Non-Consolidated Financial Positions

	Total Assets	Net Assets	Equity Ratio	Net Assets Per Share
	Millions of Yen	Millions of Yen	%	Yen
First Half FY2008	2,570,659	379,105	14.7	516.15
FY2007	2,638,595	441,106	16.7	600.59

(Reference) Equity: 379,067 million yen (As of September 30, 2008), 441,106 million yen (As of March 31, 2008)

2. Non-Consolidated Business Results Forecast for the Fiscal Year Ending March 31, 2009

	Net Premiums Written		Ordinary Income		Net Income		Net Income Per Share
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Yen
Full Year	825,000	-3.2	7,000	58.0	6,000	-16.3	8.16

Ratios show changes from the previous period.

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

1. This report contains forward-looking statements about future performance and plans of Aioi Insurance Co, Ltd. and its subsidiaries, and is based on currently available information. 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. This report is accordance with the Cabinet Office Ordinance on Disclosure of Corporate Information, etc.

Qualitative Information and Financial Statements

1. Consolidated Financial Positions

Total assets decreased by 42.9 billion yen to 2,944.3 billion yen as compared with at the end of the previous fiscal year, and net assets was 358.6 billion yen as of September 30, 2008. As a result, equity ratio was 12.2% at the end of this period.

2. Financial Results Forecast

As for consolidated business forecast for fiscal 2008, operating income is 1,070.0 billion yen, ordinary income is 4.5 billion yen, and net income is 5.0 billion yen. Please refer to 3. Consolidated Business Results Forecast for the Fiscal Year Ending March 31, 2009 on page 1. As for non-consolidated business forecast for fiscal 2008, net premiums written is 825.0 billion yen, ordinary income is 7.0 billion yen, and net income is 6.0 billion yen. Please refer to 2. Non-Consolidated Business Results Forecast for the Fiscal Year Ending March 31, 2009 on page 2.

Main prerequisites are as follows:

- Net premiums written is originally estimated by considering our past business results, impacts on rate reduction of compulsory automobile liability insurance, and other business conditions.
- Net loss paid for natural disasters, which occur in fiscal 2008, is estimated to 3.0 billion yen for fiscal 2008 based on past business results.
- Asset management forecast is based on the latest financial market conditions.

These business forecasts are based on the above prerequisites. However, actual business results for fiscal 2008 may materially differ from these forecasts.

3. Others

(1) Changes in significant subsidiaries during the period

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

(2) Changes in accounting principles, method, and procedure

1. 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 this period to adjust consolidated business results. There is almost no impact on profit and loss.

2. 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 is adopted in preparing consolidated interim financial statements after April 1, 2008. We use these standards from this period 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 Interim Financial Statements

(1) Consolidated Interim Balance Sheet

(Millions of Yen)

	First Half FY2008 As of September 30, 2008	FY2007 As of March 31, 2008
Assets		
Cash and deposits	90,017	105,877
Call loans	20,000	20,000
Receivables under resale agreements	28,969	7,988
Monetary receivables purchased	22,368	29,736
Money held in trust	2,312	2,222
Securities	1,876,238	1,959,337
Loans receivables	355,657	349,852
Property, plant and equipment	151,192	151,620
Intangible assets	8,320	7,261
Other assets	238,542	238,027
Deferred tax assets	149,513	114,659
Customers' liabilities for acceptances and guarantees	3,000	3,000
Allowance for doubtful accounts	-1,820	-2,350
Total assets	2,944,311	2,987,234
Liabilities		
Reserve for insurance policy liabilities	2,396,847	2,365,349
Outstanding claims	326,021	327,971
Policy reserve and other	2,070,825	2,037,378
Other liabilities	152,965	162,993
Provision for retirement benefits	20,453	19,961
Provision for directors' retirement benefits	39	1,231
Provision for bonuses	4,418	4,668
Reserves under the special laws	7,970	7,637
Reserve for price fluctuation	7,970	7,637
Acceptances and guarantees	3,000	3,000
Total liabilities	2,585,694	2,564,841
Net assets		
Shareholders' equity		
Capital stock	100,005	100,005
Capital surplus	44,090	44,088
Retained earnings	184,096	185,836
Treasury stock	-7,829	-7,800
Total shareholders' equity	320,362	322,128
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	37,043	99,129
Foreign currency translation adjustment	1,007	927
Total valuation and translation adjustments	38,050	100,056
Subscription rights to shares	38	-
Minority interests	165	207
Total net assets	358,617	422,392
Total liabilities and net assets	2,944,311	2,987,234

(2) Consolidated Interim Statements of Income

(Millions of Yen)

	First Half FY2007 From April 1, 2007 to September 30, 2007	First Half FY2008 From April 1, 2008 to September 30, 2008
Operating income	568,518	537,275
Underwriting income	515,074	507,068
Net premiums written	440,123	430,476
Premiums of saving-type insurance	29,064	27,065
Investment income from saving type insurance	10,627	11,165
Life insurance premiums	34,824	36,203
Reversal of reserve for outstanding claims	-	739
Investment income	52,762	28,530
Interest and dividends income	48,477	27,468
Gain from money held in trust	3	22
Gain on trading securities	16	4
Gain on sales of securities	14,165	12,159
Income credited to saving type insurance	-10,627	-11,165
Other operating income	682	1,675
Operating expenses	558,251	525,801
Underwriting expenses	449,691	431,550
Net loss paid	241,793	246,362
Loss adjustment expenses	17,559	19,112
Commissions and collection fees	80,786	81,985
Maturity refunds to policyholders	48,988	43,153
Life insurance claims paid	6,082	6,375
Provision of outstanding claims	1,728	-
Provision of policy reserve and other	52,044	33,876
Investment expenses	31,532	14,624
Loss on sales of securities	1,182	1,451
Loss on valuation of securities	4,440	5,665
Net derivative financial instruments loss	25,597	6,167
Sales and administrative expenses	75,078	79,214
Other operating expenses	1,948	411
Interest expenses	10	27
Ordinary income	10,267	11,473
Extraordinary income	8,082	507
Extraordinary loss	2,746	837
Provision of reserves under the special laws	666	333
Provision of reserve for price fluctuation	666	333
Other	2,079	504
Income before income taxes and minority interests	15,603	11,143
Income taxes-current	11,347	5,239
Income taxes-deferred	-5,965	187
Minority interests in income	2	-41
Net income	10,218	5,757

(3) Consolidated Interim Statements of Changes in Net Assets

(Millions of Yen)

	First Half FY2007 From April 1, 2007 to September 30, 2007	First Half FY2008 From April 1, 2008 to September 30, 2008
Shareholders' equity		
Capital stock		
Balance at the end of previous period	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
Capital surplus		
Balance at the end of previous period	44,081	44,088
Changes of items during the period		
Disposal of treasury stock	2	2
Total changes of items during the period	2	2
Balance at the end of current period	44,084	44,090
Retained earnings		
Balance at the end of previous period	196,501	185,836
Effect of unification of accounting policies applied to foreign subsidiaries	-	-153
Changes of items during the period		
Dividends from surplus	-7,344	-7,344
Net income	10,218	5,757
Total changes of items during the period	2,873	-1,586
Balance at the end of current period	199,374	184,096
Treasury stock		
Balance at the end of previous period	-7,742	-7,800
Changes of items during the period		
Purchase of treasury stock	-61	-32
Disposal of treasury stock	12	3
Total changes of items during the period	-48	-28
Balance at the end of current period	-7,791	-7,829
Total shareholders' equity		
Balance at the end of previous period	332,845	322,128
Effect of unification of accounting policies applied to foreign subsidiaries	-	-153
Changes of items during the period		
Dividends from surplus	-7,344	-7,344
Net income	10,218	5,757
Purchase of treasury stock	-61	-32
Disposal of treasury stock	15	5
Total changes of items during the period	2,827	-1,613
Balance at the end of current period	335,673	320,362

(Millions of Yen)

	First Half FY2007 From April 1, 2007 to September 30, 2007	First Half FY2008 From April 1, 2008 to September 30, 2008
Valuation and translation adjustments		
Valuation difference on available-for-sale securities		
Balance at the end of previous period	286,410	99,129
Changes of items during the period		
Net changes of items other than shareholders' equity	-37,619	-62,086
Total changes of items during the period	-37,619	-62,086
Balance at the end of current period	248,791	37,043
Foreign currency translation adjustment		
Balance at the end of previous period	1,448	927
Changes of items during the period		
Net changes of items other than shareholders' equity	367	80
Total changes of items during the period	367	80
Balance at the end of current period	1,816	1,007
Total valuation and translation adjustments		
Balance at the end of previous period	287,859	100,056
Changes of items during the period		
Net changes of items other than shareholders' equity	-37,251	-62,005
Total changes of items during the period	-37,251	-62,005
Balance at the end of current period	250,607	38,050
Subscription rights to shares		
Balance at the end of previous period	-	-
Changes of items during the period		
Net changes of items other than shareholders' equity	-	38
Total changes of items during the period	-	38
Balance at the end of current period	-	38
Minority interests		
Balance at the end of previous period	26	207
Changes of items during the period		
Net changes of items other than shareholders' equity	4	-41
Total changes of items during the period	4	-41
Balance at the end of current period	30	165
Total net assets		
Balance at the end of previous period	620,731	422,392
Effect of unification of accounting policies applied to foreign subsidiaries	-	-153
Changes of items during the period		
Dividends from surplus	-7,344	-7,344
Net income	10,218	5,757
Purchase of treasury stock	-61	-32
Disposal of treasury stock	15	5
Net changes of items other than shareholders' equity	-37,247	-62,008
Total changes of items during the period	-34,419	-63,621
Balance at the end of current period	586,311	358,617

(4) Consolidated Interim Statements of Cash Flows

(Millions of Yen)

	First Half FY2007 From April 1, 2007 to September 30, 2007	First Half FY2008 From April 1, 2008 to September 30, 2008
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	15,603	11,143
Depreciation and amortization	5,413	5,845
Impairment loss	744	139
Increase (decrease) in outstanding claims	1,728	-739
Increase (decrease) in policy reserve and other	52,044	33,876
Increase (decrease) in allowance for doubtful accounts	299	-527
Increase (decrease) in provision for retirement benefits	1,161	492
Increase (decrease) in provision for directors' retirement benefits	1,197	-1,191
Increase (decrease) in provision for bonuses	-205	-249
Increase (decrease) in reserve for price fluctuation	666	333
Interest and dividends income	-48,477	-27,468
Loss (gain) related to securities	-9,227	-5,049
Interest expenses	10	27
Foreign exchange losses (gains)	-2	-0
Loss (gain) related to property, plant and equipment	563	-141
Decrease (increase) in other investing and financing activities assets	-22,881	430
Increase (decrease) in other investing and financing activities liabilities	-6,263	-23,739
Other, net	25,542	7,356
Subtotal	17,914	535
Interest and dividends income received	48,624	26,861
Interest expenses paid	-10	-27
Income taxes paid	-10,311	5,572
Net cash provided by (used in) operating activities	56,217	32,942
Net cash provided by (used in) investment activities		
Net increase (decrease) in cash and deposits	-851	-2,450
Purchases of monetary receivables purchased	-4,212	-10
Proceeds from sales and redemption of monetary receivables purchased	1,880	7,094
Increase in money held in trust	-	-22
Decrease in money held in trust	5,000	-
Purchase of short-term investment securities	-407,441	-282,982
Proceeds from sales and redemption of securities	372,370	268,982
Payments of loans receivable	-40,068	-49,912
Collection of loans receivable	39,753	43,707
Other, net	-345	180
Total of net cash provided by (used in) investment transactions	-33,914	-15,411
Total of net cash provided by (used in) operating activities and investment transactions	22,302	17,531
Purchase of property, plant and equipment	-4,068	-5,348
Proceeds from sales of property, plant and equipment	246	1,408
Other, net	-560	-1,852
Net cash provided by (used in) investment activities	-38,297	-21,203
Net cash provided by (used in) financing activities		
Proceeds from disposal of treasury stock	15	5
Purchase of treasury stock	-61	-32
Cash dividends paid	-7,344	-7,344
Other, net	-2	-183
Net cash provided by (used in) financing activities	-7,392	-7,554
Effect of exchange rate change on cash and cash equivalents	434	-1,348
Net increase (decrease) in cash and cash equivalents	10,961	2,836
Cash and cash equivalents at beginning of period	96,940	127,841
Cash and cash equivalents at end of period	107,902	130,677

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

None

(6) Segment Information

a. Segment Information by Class of Business

First Half FY2007 (From April 1, 2007 to September 30, 2007)

(Millions of Yen)

	Non-Life Insurance	Life Insurance	Total	Elimination	Consolidated
Operating Income	530,491	38,094	568,586	-67	568,518
1. Sales to External Customers	646	63	710	-710	-
2. Inter-Segment Sales and Transfers					
Total	531,137	38,158	569,296	-777	568,518
Operating Income	512,439	46,589	559,028	-777	558,251
Ordinary Income	18,698	-8,431	10,267	-0	10,267

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

First Half FY2008 (From April 1, 2008 to September 30, 2008)

(Millions of Yen)

	Non-Life Insurance	Life Insurance	Total	Elimination	Consolidated
Operating Income	496,913	40,429	537,343	-68	537,275
1. Sales to External Customers	608	57	665	-665	-
2. Inter-Segment Sales and Transfers					
Total	497,522	40,487	538,009	-734	537,275
Operating Income	487,086	39,449	526,536	-734	525,801
Ordinary Loss	10,435	1,038	11,473	-0	11,473

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

First Half FY2007 (From April 1, 2007 to September 30, 2007)

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.

First Half FY2008 (From April 1, 2008 to September 30, 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

First Half FY2007 (From April 1, 2007 to September 30, 2007)

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

First Half FY2008 (From April 1, 2008 to September 30, 2008)

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

5. Non-Consolidated Interim Financial Statements
(1) Non-Consolidated Interim Balance Sheets

(Millions of Yen)

	First Half FY2008 As of September 30, 2008	FY2007 As of March 31, 2008
Assets		
Cash and deposits	61,762	77,051
Call loans	20,000	20,000
Receivables under resale agreements	19,980	-
Monetary receivables purchased	22,368	29,736
Money held in trust	2,312	2,222
Securities	1,572,241	1,678,821
Loans receivables	345,567	340,228
Property, plant and equipment	149,872	150,335
Intangible assets	5,635	4,716
Other assets	223,459	223,543
Deferred tax assets	146,158	111,236
Customers' liabilities for acceptances and guarantees	3,000	3,000
Allowance for doubtful accounts	-1,698	-2,295
Total assets	2,570,659	2,638,595
Liabilities		
Reserve for insurance policy liabilities	2,012,583	2,006,518
Outstanding claims	313,984	314,673
Policy reserve	1,698,599	1,691,845
Other liabilities	143,913	155,250
Income taxes payable	5,320	1,990
Lease obligations	404	-
Rest of the other liabilities	138,189	153,260
Provision for retirement benefits	20,313	19,837
Provision for directors' retirement benefits	-	1,203
Provision for bonuses	4,199	4,429
Reserves under the special laws	7,543	7,249
Reserve for price fluctuation	7,543	7,249
Acceptances and guarantees	3,000	3,000
Total liabilities	2,191,553	2,197,489
Net assets		
Shareholders' equity		
Capital stock	100,005	100,005
Capital surplus		
Legal capital surplus	44,081	44,081
Other capital surplus	8	6
Total capital surpluses	44,090	44,088
Retained earnings		
Legal retained earnings		
Other retained earnings	33,995	32,526
Reserve for dividends	172,644	174,864
Special reserve for insurance contract	38,640	38,640
Reserve for reduction entry	25,070	25,070
Reserve for special account for advanced depreciation of noncurrent assets	3,713	3,271
Reserve for special depreciation	-	471
Special reserve	84,985	84,985
Retained earnings brought forward	20,235	22,427
Total earned surpluses	206,640	207,391
Treasury stock	-7,829	-7,800
Total shareholders' equity	342,905	343,683
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	36,161	97,422
Total valuation and translation adjustments	36,161	97,422
Subscription rights to shares	38	-
Total net assets	379,105	441,106
Total liabilities and net assets	2,570,659	2,638,595

(2) Non-Consolidated Interim Statements of Income

(Millions of Yen)

	First Half FY2007 From April 1, 2007 to September 30, 2007	First Half FY2008 From April 1, 2008 to September 30, 2009
Operating income	519,073	484,494
Underwriting income	468,672	458,352
Net premiums written	428,624	418,044
Premiums of saving-type insurance	29,064	27,065
Reversal of reserve for outstanding claims	10,627	11,165
Investment income from saving type insurance	-	688
Investment income	49,185	24,368
Interest and dividends income	44,914	23,315
Gain from money held in trust	3	22
Gain on trading securities	23	2
Gain on sales of securities	14,086	12,151
Income credited to saving type insurance	-10,627	-11,165
Other operating income	1,216	1,773
Operating expenses	498,473	471,197
Underwriting expenses	395,592	383,113
Net loss paid	234,688	239,659
Loss adjustment expenses	17,416	18,515
Commissions and collection fees	74,438	74,389
Maturity refunds to policyholders	48,988	43,153
Provision of outstanding claims	936	-
Provision of policy reserve	18,465	6,753
Investment expenses	31,382	15,034
Loss on sales of securities	1,107	1,441
Loss on valuation of securities	4,440	5,665
Net derivative financial instruments loss	25,597	6,166
Sales and administrative expenses	69,810	72,671
Other operating expenses	1,687	379
Interest expenses	1	1
Ordinary income	20,600	13,296
Extraordinary income	8,082	506
Extraordinary loss	2,643	2,318
Provision of reserves under the special laws	633	293
Provision of reserve for price fluctuation	633	293
Other	2,010	2,024
Income before income taxes	26,039	11,483
Income taxes-current	11,336	5,203
Income taxes-deferred	-3,044	-312
Net income	17,747	6,593

(3) Non-Consolidated Interim Statements of Changes in Net Assets

(Millions of Yen)

	First Half FY2007 As of September 30, 2007	First Half FY2008 As of September 30, 2008
Shareholders' equity		
Capital stock		
Balance at the end of previous period	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
Capital surplus		
Legal capital surplus		
Balance at the end of previous period	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
Other capital surplus		
Balance at the end of previous period	-	6
Changes of items during the period		
Disposal of treasury stock	2	2
Total changes of items during the period	2	2
Balance at the end of current period	2	8
Total capital surplus		
Balance at the end of previous period	44,081	44,088
Changes of items during the period		
Disposal of treasury stock	2	2
Total changes of items during the period	2	2
Balance at the end of current period	44,084	44,090
Retained earnings		
Legal retained earnings		
Balance at the end of previous period	31,058	32,526
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	32,526	33,995
Other retained earnings		
Reserve for dividends		
Balance at the end of previous period	38,640	38,640
Changes of items during the period		
Total changes of items during the period	-	-
Balance at the end of current period	38,640	38,640
Total retained earnings		
Balance at the end of previous period	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

(Millions of Yen)

	First Half FY2007 As of September 30, 2007	First Half FY2008 As of September 30, 2008
Reserve for reduction entry		
Balance at the end of previous period	3,165	3,271
Changes of items during the period		
Provision of reserve for reduction entry	-	471
Reversal of reserve for reduction entry	-19	-28
Total changes of items during the period	-19	442
Balance at the end of current period	3,145	3,713
Reserve for special account for advanced depreciation		
Balance at the end of previous period	-	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	-	-
Reserve for special depreciation		
Balance at the end of previous period	9	-
Changes of items during the period		
Reversal of reserve for special depreciation	-4	-
Total changes of items during the period	-4	-
Balance at the end of current period	4	-
Special reserve		
Balance at the end of previous period	76,985	84,985
Changes of items during the period		
Provision of special reserve	8,000	-
Total changes of items during the period	8,000	-
Balance at the end of current period	84,985	84,985
Retained earnings brought forward		
Balance at the end of previous period	32,636	22,427
Changes of items during the period		
Dividends from surplus	-8,813	-8,813
Provision of reserve for reduction entry	-	-471
Reversal of reserve for reduction entry	19	28
Reversal of reserve for special account for advanced depreciation	-	471
Reversal of reserve for special depreciation	4	-
Provision of special reserve	-8,000	-
Net income	17,747	6,593
Total changes of items during the period	957	-2,191
Balance at the end of current period	33,594	20,235
Total retained earnings		
Balance at the end of previous period	207,564	207,391
Changes of items during the period		
Dividends from surplus	-7,344	-7,344
Net income	17,747	6,593
Total changes of items during the period	10,402	-751
Balance at the end of current period	217,966	206,640

(Millions of Yen)

	First Half FY2007 As of September 30, 2007	First Half FY2008 As of September 30, 2008
Treasury stock		
Balance at the end of previous period	-7,742	-7,800
Changes of items during the period		
Purchase of treasury stock	-61	-32
Disposal of treasury stock	12	3
Total changes of items during the period	-48	-28
Balance at the end of current period	-7,791	-7,829
Total shareholders' equity		
Balance at the end of previous period	343,908	343,683
Changes of items during the period		
Dividends from surplus	-7,344	-7,344
Net income	17,747	6,593
Purchase of treasury stock	-61	-32
Disposal of treasury stock	15	5
Total changes of items during the period	10,356	-777
Balance at the end of current period	354,265	342,905
Valuation and translation adjustments		
Valuation difference on available-for-sale securities		
Balance at the end of previous period	284,772	97,422
Changes of items during the period		
Net changes of items other than shareholders' equity	-37,402	-61,261
Total changes of items during the period	-37,402	-61,261
Balance at the end of current period	247,369	36,161
Total valuation and translation adjustments		
Balance at the end of previous period	284,772	97,422
Changes of items during the period		
Net changes of items other than shareholders' equity	-37,402	-61,261
Total changes of items during the period	-37,402	-61,261
Balance at the end of current period	247,369	36,161
Subscription rights to shares		
Balance at the end of previous period	-	-
Changes of items during the period		
Net changes of items other than shareholders' equity	-	38
Total changes of items during the period	-	38
Balance at the end of current period	-	38
Total net assets		
Balance at the end of previous period	628,680	441,106
Changes of items during the period		
Dividends from surplus	-7,344	-7,344
Net income	17,747	6,593
Purchase of treasury stock	-61	-32
Disposal of treasury stock	15	5
Net changes of items other than shareholders' equity	-37,402	-61,222
Total changes of items during the period	-27,045	-62,000
Balance at the end of current period	601,634	379,105

6. Other Information

Summary of Consolidated Statements of Income

(Millions of Yen)

	First Half FY2007	First Half FY2008		
	From April 1, 2007	From April 1, 2008	Change	Rate of Change
	to September 30, 2007	to September 30, 2008		%
Underwriting income	515,074	507,068	-8,005	-1.6
Net premiums written	440,123	430,476	-9,646	-2.2
Premiums of saving-type insurance	29,064	27,065	-1,998	-6.9
Life insurance premiums	34,824	36,203	1,379	4.0
Reversal of reserve for outstanding claims	-	739	739	-
Underwriting expenses	449,691	431,550	-18,141	-4.0
Net loss paid	241,793	246,362	4,568	1.9
Loss adjustment expenses	17,559	19,112	1,553	8.8
Commissions and collection fees	80,786	81,985	1,198	1.5
Maturity refunds to policyholders	48,988	43,153	-5,834	-11.9
Life insurance claims paid	6,082	6,375	293	4.8
Provision for outstanding claims	1,728	-	-1,728	-100.0
Provision for policy reserve and other	52,044	33,876	-18,168	-34.9
Investment income	52,762	28,530	-24,231	-45.9
Interest and dividends income	48,477	27,468	-21,009	-43.3
Gains on sales of securities	14,165	12,159	-2,006	-14.2
Investment expenses	31,532	14,624	-16,907	-53.6
Loss on sales of securities	1,182	1,451	269	22.8
Loss on valuation of securities	4,440	5,665	1,224	27.6
Loss on derivatives	25,597	6,167	-19,430	-75.9
Sales and administrative expenses	75,078	79,214	4,136	5.5
Other ordinary income and loss	-1,266	1,264	2,530	-
Ordinary income	10,267	11,473	1,206	11.7
Extraordinary income	8,082	507	-7,575	-93.7
Extraordinary loss	2,746	837	-1,908	-69.5
Extraordinary income and loss	5,336	-329	-5,666	-106.2
Income before income taxes and minority interests	15,603	11,143	-4,460	-28.6
Tax adjustments-current	11,347	5,239	-6,108	-53.8
Tax adjustments-deferred	-5,965	187	6,152	-
Minority interests in loss	2	-41	-43	-
Net income	10,218	5,757	-4,460	-43.7

Consolidated Premiums and Losses by Class

Direct Premium Written by Class of Business

(Millions of Yen)

	First Half FY2007 From April 1, 2007 to September 30, 2007			First Half FY2008 From April 1, 2008 to September 30, 2008		
	Amount	Proportion	Change	Amount	Proportion	Change
Fire and Allied Lines	66,097	13.5	-1.4	67,196	14.2	1.7
Marine	2,744	0.6	-0.0	2,939	0.6	7.1
Personal Accident	46,442	9.5	-8.1	43,734	9.2	-5.8
Voluntary Automobile	246,254	50.5	0.7	243,800	51.4	-1.0
Compulsory Automobile Liability	85,728	17.6	0.0	73,750	15.5	-14.0
Other	40,743	8.3	4.4	42,923	9.1	5.4
Total	488,011	100.0	-0.3	474,344	100.0	-2.8
(Including premiums of saving-type insurance)	29,064	6.0	-13.0	27,065	5.7	-6.9

Net Premiums Written by Class of Business

(Millions of Yen)

	First Half FY2007 From April 1, 2007 to September 30, 2007			First Half FY2008 From April 1, 2008 to September 30, 2008		
	Amount	Proportion	Change	Amount	Proportion	Change
Fire and Allied Lines	49,059	11.1	0.2	49,539	11.5	1.0
Marine	2,971	0.7	3.1	3,047	0.7	2.6
Personal Accident	24,839	5.6	-1.6	23,925	5.5	-3.7
Voluntary Automobile	247,656	56.3	1.1	246,111	57.2	-0.6
Compulsory Automobile Liability	75,913	17.3	-0.3	67,082	15.6	-11.6
Other	39,685	9.0	6.0	40,771	9.5	2.7
Total	440,125	100.0	1.0	430,478	100.0	-2.2

Net Loss Paid by Class of Business

(Millions of Yen)

	First Half FY2007 From April 1, 2007 to September 30, 2007			First Half FY2008 From April 1, 2008 to September 30, 2008		
	Amount	Proportion	Change	Amount	Proportion	Change
Fire and Allied Lines	16,086	6.7	-14.7	15,787	6.4	-1.9
Marine	1,976	0.8	44.4	1,288	0.5	-34.8
Personal Accident	9,047	3.7	3.3	10,967	4.5	21.2
Voluntary Automobile	139,621	57.8	6.4	140,452	57.0	0.6
Compulsory Automobile Liability	49,644	20.5	-1.9	50,817	20.6	2.4
Other	25,417	10.5	-13.6	27,048	11.0	6.4
Total	241,793	100.0	0.6	246,362	100.0	1.9

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)

	First Half FY2008 (As of September 30, 2008)			FY2007 (As of March 31, 2008)		
	Cost	Fair Value	Difference	Cost	Fair Value	Difference
Bonds	286,796	291,457	4,661	272,225	279,740	7,514
Foreign securities	3,214	3,334	120	2,971	3,181	210
Total	290,010	294,792	4,782	275,197	282,922	7,725

3. Marketable Securities for Available for Sale

(Millions of Yen)

	First Half FY2008 (As of September 30, 2008)			FY2007 (As of March 31, 2008)		
	Cost	Fair Value	Difference	Cost	Fair Value	Difference
Bonds	761,240	764,885	3,645	782,994	795,322	12,327
Equity securities	234,685	347,262	112,576	239,430	405,487	166,056
Foreign securities	394,842	354,474	-40,367	390,852	374,696	-16,156
Other securities	123,334	105,590	-17,743	109,484	102,562	-6,921
Total	1,514,101	1,572,212	58,110	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. Details and Amounts Recorded in Consolidated Balance Sheet of Securities which are not Valued at Fair Value

(1) Bonds Held to Maturity

(Millions of Yen)

	First Half FY2008 (As of September 30, 2008)	FY2007 (As of March 31, 2008)
Bonds	207	348

(2) Available-for-Sale Securities

(Millions of Yen)

	First Half FY2008 (As of September 30, 2008)	FY2007 (As of March 31, 2008)
Equity Securities	16,297	15,061
Other	6,023	6,637
Total	22,321	21,698

Note:

Other includes real estate trust beneficiary right presented as monetary receivable bought in the consolidated balance sheets.

5. Impairment Loss on Available-for-Sale Securities

First Half FY2008 (As of September 30, 2008)	First Half FY2009 (As of September 30, 2009)
The parent company recognized 5,665 million yen as impairment loss for available-for-sale securities. The company and its domestic subsidiaries basically revalue marketable securities available for sale when fair value of the securities as of the end of the first half 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 revaluated when fair value of the securities as of the end of first half declined by more than 30% compared to their cost.

Consolidated Derivative Transaction

(Millions of Yen)

Type	Transaction	First Half FY2008 (As of September 30, 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	80,277	77,695	-2,582	77,170	75,206	-1,963
Interest Rate Swaps		3,500	98	98	3,500	153	153
Others	Credit Derivatives Selling	152,876	-49,329	-49,329	158,665	-43,490	-43,490
Total		-	-	-51,812	-	-	-45,300

Consolidated Risk Management Loans

(Millions of Yen)

	First Half FY2008	FY2007	Change
Loans to Borrowers in Legal Bankruptcy	26	477	-450
Loans in Default	2,974	3,055	-80
Loans in Default for 3 Months or More	907	586	320
Restructured Loans	221	230	-9
Total of Risk Management Loans (a)	4,129	4,349	-219
Loans (b)	355,657	349,852	5,804
Ratio against the Loans (a)/(b) x 100 (%)	1.2	1.2	0.0

Note: 1. "Loans to borrowers in legal bankruptcy" mean such loans whose accrued interest is not booked since it is unlikely that the principal or interest is collected or paid for various reasons, including that the payment of the principal or interest is overdue for a long time (except those written off as default. Hereinafter called "not-booked-accrued-interest loans") as fall within Section 96 (1) (iii) (a) to (e) or Section 96 (4) of the Implementation Order of the Corporate Tax Law (No. 97 Cabinet Order in 1965).

2. "Loans in default" mean not-booked-accrued-interest loans, excluding those of which the interest is forborne for the management restructuring of the debtor or for the assistance to the debtor.

3. "Loans in default for 3 months or more" mean the loans of which the principal or interest is not paid three months or more after the day following the payment date, excluding "Loans to borrowers in legal bankruptcy" and "Loans in default".

4. "Restructured loans" mean the loans for which the interest rate is lowered or waived, the payment of interest or principal is forborne, or any arrangement in favor of the debtor, including debt waiver, is made, except "Loans to borrowers in legal bankruptcy", "Loans in default", and "Loans in default for 3 months or more".

Summary of Non-Consolidated Statements of Income

(Millions of Yen)

	First Half FY2007 From April 1, 2007 to September 30, 2007	First Half FY2008 From April 1, 2008 to September 30, 2008	Change	Rate of Change %
Direct net premium including savings type insurance premium income	473,542	458,666	-14,875	-3.1
Direct net premium	444,478	431,601	-12,877	-2.9
Underwriting income	468,672	458,352	-10,319	-2.2
Net premiums written	428,624	418,044	-10,579	-2.5
Premiums of saving-type insurance	29,064	27,065	-1,998	-6.9
Reversal of outstanding claims	-	688	688	-
Underwriting expenses	395,592	383,113	-12,478	-3.2
Net loss paid	234,688	239,659	4,971	2.1
Loss adjustment expenses	17,416	18,515	1,098	6.3
Commissions and collection fees	74,438	74,389	-48	-0.1
Maturity refunds to policyholders	48,988	43,153	-5,834	-11.9
Provision of outstanding claims	936	-	-936	-100.0
Provision of policy reserve	18,465	6,753	-11,711	-63.4
Investment income	49,185	24,368	-24,817	-50.5
Interest and dividends income	44,914	23,315	-21,599	-48.1
Gains on sales of securities	14,086	12,151	-1,935	-13.7
Investment expenses	31,382	15,034	-16,348	-52.1
Loss on sales of securities	1,107	1,441	334	30.2
Loss on valuation of securities	4,440	5,665	1,224	27.6
Loss on derivatives	25,597	6,166	-19,431	-75.9
Sales and administrative expenses	69,810	72,671	2,860	4.1
Sales and administrative expenses for underwriting	65,826	68,542	2,715	4.1
Other ordinary income and loss	-471	1,394	1,865	-
Ordinary income	20,600	13,296	-7,303	-35.5
Underwriting profit and loss	5,871	5,425	-445	-7.6
Extraordinary income	8,082	506	-7,576	-93.7
Extraordinary loss	2,643	2,318	-324	-12.3
Extraordinary income and loss	5,439	-1,812	-7,251	-133.3
Income before income taxes and minority interests	26,039	11,483	-14,555	-55.9
Tax adjustments-current	11,336	5,203	-6,133	-54.1
Tax adjustments-deferred	-3,044	-312	2,732	-
Net income	17,747	6,593	-11,154	-62.9
Loss ratio (%)	58.8	61.8		
Expense ratio (%)	32.7	34.2		

Note:

1. Underwriting profit = Underwriting income – (Underwriting expenses + Sales and administrative expenses for underwriting) ± Other revenue and spending
2. Loss ratio = (Net loss paid + Loss adjustment expenses) / Net premiums written x 100
3. Expense ratio = (Commissions and collection fees + Sales and administrative expenses for underwriting) / Net premiums written x 100

Non-Consolidated Premiums and Losses by Class

Direct Premium Written by Class of Business

(Millions of Yen)

	First Half FY2007 From April 1, 2007 to September 30, 2007			First Half FY2008 From April 1, 2008 to September 30, 2008		
	Amount	Proportion	Change	Amount	Proportion	Change
Fire and Allied Lines	57,236	12.9	-0.3	58,473	13.5	2.2
Marine	2,744	0.6	4.0	2,939	0.7	7.1
Personal Accident	26,307	5.9	-1.2	25,458	5.9	-3.2
Voluntary Automobile	234,748	52.8	-0.1	231,117	53.6	-1.5
Compulsory Automobile Liability	85,728	19.3	0.0	73,750	17.1	-14.0
Other	37,712	8.5	0.5	39,862	9.2	5.7
Total	444,478	100.0	-0.1	431,601	100.0	-2.9
(Including premiums of saving-type insurance)	473,542		-1.0	458,666		-3.1

Net Premiums Written by Class of Business

(Millions of Yen)

	First Half FY2007 From April 1, 2007 to September 30, 2007			First Half FY2008 From April 1, 2008 to September 30, 2008		
	Amount	Proportion	Change	Amount	Proportion	Change
Fire and Allied Lines	48,987	11.4	1.1	49,488	11.8	1.0
Marine	2,951	0.7	2.2	3,028	0.7	2.6
Personal Accident	24,832	5.8	-1.6	23,918	5.7	-3.7
Voluntary Automobile	238,061	55.6	0.4	235,555	56.4	-1.1
Compulsory Automobile Liability	75,913	17.7	-0.3	67,082	16.1	-11.6
Other	37,876	8.8	2.1	38,970	9.3	2.9
Total	428,624	100.0	0.4	418,044	100.0	-2.5

Net Loss Paid by Class of Business

(Millions of Yen)

	First Half FY2007 From April 1, 2007 to September 30, 2007			First Half FY2008 From April 1, 2008 to September 30, 2008		
	Amount	Change	Loss Ratio	Amount	Change	Loss Ratio
Fire and Allied Lines	16,054	-14.2	34.1	15,751	-1.9	33.4
Marine	1,965	43.4	69.1	1,278	-34.9	44.2
Personal Accident	9,042	3.5	39.8	10,965	21.3	49.5
Voluntary Automobile	132,953	5.2	60.3	134,220	1.0	61.7
Compulsory Automobile Liability	49,644	-1.9	70.5	50,817	2.4	81.7
Other	25,028	-14.9	69.5	26,625	6.4	72.3
Total	234,688	-0.2	58.8	239,659	2.1	61.8

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

Non-Consolidated Solvency Margin Ratio

(Millions of Yen)

	First Half FY2008 (As of September 30, 2008)	FY2007 (As of March 31, 2008)
Total Amount (A)	774,831	841,780
Capital Stock, Funds, and Other	339,272	336,339
Price Fluctuation Reserve	7,543	7,249
Contingency Fund	775	517
CAT Reserve including Earthquake Insurance	288,601	282,396
Allowance for Bad Debt	222	343
90% of Net Unrealized Gain on Available-for-Sale Securities	50,931	137,215
85% of Unrealized Gain and Loss on Land	14,577	6,158
Deductions	24,259	24,280
Other	97,166	95,841
Total Risk (B)		
$\sqrt{(R_1+R_2)^2+(R_3+R_4)^2}+R_5+R_6$	190,908	195,159
General Insurance Risk (R ₁)	45,928	45,935
Third Sector Insurance Risk (R ₂)	-	-
Projected Interest Risk (R ₃)	2,425	2,446
Asset Management Risk (R ₄)	88,501	93,869
Business Management Risk (R ₅)	4,429	4,523
Catastrophe Risk (R ₆)	84,610	83,927
Solvency Margin Ratio (C)		
$[(A)/\{(B) \times 1/2\}] \times 100$ (%)	811.7%	862.6%

Note:

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

<Solvency Margin Ratio>

Non-life insurance company keeps reserves for payments of insurance claims, maturity repayments, and other purposes. Furthermore, the 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 (A) of money divided by the half of the total risk (B) and multiplied by 100.

Total amount includes net assets, reserves, and unrealized profits of land.

Total risk includes the following risks.

- General Insurance Risk

Risks of payments of insurance claims in excess of expectations, calculated based on statistics of the past loss ratios by class of business excluding catastrophe risk

- Third Sector Insurance Risk

Risks of payments of third sector insurance claims in excess of expectations, which calculated based on statistics of the past loss ratios by class of business excluding catastrophe risk

- Projected Interest Risk

Risks arising from actual yields in investment being lower than expected yields, which are estimated when premiums of the insurance are calculated

- Asset Management Risk

Risks of retained securities and other assets fluctuating in prices in excess of expectations

- Business Management Risk

Risks arising from excess of expectations in connection with business management and excluding the other risks

- Catastrophe Risk

Risks arising from catastrophes, such as the Great Kanto Earthquake, the Ise Bay Typhoon, and other big disasters

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

Investment Conditions of Securitized Products

We invest in securitized products, such as marketable securities and credit derivatives. The booked amount of marketable securities was 56.6 billion yen equivalent, and the notional amount of credit derivatives was 152.8 billion yen equivalent as of September 30, 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 September 30, 2008)

	Booked Amount		Fair Value		Unrealized Profit and Loss		(100 Millions of Yen)		
		Change from March 31, 2008		Change from March 31, 2008		Change from March 31, 2008	Profit and Loss for the First Half of FY2008		
							Evaluation Loss	Profit and Loss on Sale	Total
Total Amount of Securitized Products	566	-191	553	-189	-13	2	-10	-8	-18

(1) Special Purpose Entity (SPE)

There is no SPE structured by our company. Furthermore, we do not supplement liquidity in SPEs.

	Booked Amount		Fair Value		Unrealized Profit and Loss		(100 Millions of Yen)		
		Change from March 31, 2008		Change from March 31, 2008		Change from March 31, 2008	Profit and Loss for First Half of FY2008		
							Evaluation Loss	Profit and Loss on Sale	Total
Total Amount	3	-	7	-1	4	-1	-	-	-
ABCP	-	-	-	-	-	-	-	-	-
Bond Issued by SIV*	3	-	7	-1	4	-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 95% 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 60% for the U.S., and about 35% for Europe. The average remaining period of pledged assets is 3.9 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.

	Booked Amount		Fair Value		Unrealized Profit and Loss		(100 Millions of Yen)		
		Change from March 31, 2008		Change from March 31, 2008		Change from March 31, 2008	Profit and Loss for the First Half of FY2008		
							Evaluation Loss	Profit and Loss on Sale	Total
Total Amount	30	-19	25	-16	-5	3	-10	-1	-12
CLO*	30	-19	25	-16	-5	3	-10	-1	-12
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.

	Booked Amount		Fair Value		Unrealized Profit and Loss		(100 Millions of Yen)		
		Change from March 31, 2008		Change from March 31, 2008		Change from March 31, 2008	Profit and Loss for First Half of FY2008		
							Evaluation Loss	Profit and Loss on Sale	Total
Total Amount	532	-172	520	-171	-12	1	-	-6	-6
CMBS	69	-3	69	-3	-0	-0	-	-	-
RMBS	313	-102	313	-106	-0	-4	-	-1	-1
ABS and Other	149	-66	137	-60	-11	5	-	-5	-5

Overseas exposure in the above chart is as follows:

	Booked Amount		Fair Value		Unrealized Profit and Loss		(100 Millions of Yen)		
		Change from March 31, 2008		Change from March 31, 2008		Change from March 31, 2008	Profit and Loss for the First Half of FY2008		
							Evaluation Loss	Profit and Loss on Sale	Total
Total Amount	81	-40	69	-35	-11	5	-	-5	-5
CMBS	-	-	-	-	-	-	-	-	-
RMBS	-	-	-	-	-	-	-	-	-
ABS and Other	81	-40	69	-35	-11	5	-	-5	-5

2. Investment Conditions of Credit Derivative Transaction (As of September 30, 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 September 30, 2008.

(100 Millions of Yen)

	Notional Amount		Evaluation Profit and Loss		Outstanding Exposure		Profit and Loss for the First Half of FY2008		
		Change from March 31, 2008		Change from March 31, 2008		Change from March 31, 2008	Fair Value Change	Cancellation	Total
Total Amount	1,528	-57	-493	-58	1,035	-116	-58	-0	-58
ABS-CDO*	526	-9	-474	-64	52	-74	-64	-	-64
Corporate CDO**	742	-17	-17	4	724	-13	4	-	4
CDS	260	-30	-1	1	258	-28	1	-0	1
							-5	-	-5
							-70	-	-70

Currency hedge loss (Exchange contract)

Subprime related loss (Total)

Overseas exposure in the above chart are as follows:

(100 Millions of Yen)

	Notional Amount		Evaluation Profit and Loss		Outstanding Exposure		Profit and Loss for the First Half of FY2008		
		Change from March 31, 2008		Change from March 31, 2008		Change from March 31, 2008	Fair Value Change	Cancellation	Total
Total Amount	818	-27	-476	-65	342	-93	-65	-	-65
ABS-CDO	526	-9	-474	-64	52	-74	-64	-	-64
Corporate CDO	292	-17	-2	-1	290	-18	-1	-	-1
CDS	-	-	-	-	-	-	-	-	-

* The loss on ABS-CDOs including currency hedges (subprime related loss) for this period was 7.0 billion yen. The ratings of ABS-CDOs, which partially contain subprime related loans, are 50.9% for AAA, 14.8% for A, 22.0% for BBB, and 12.3% 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 60% for Japan, about 25% for Europe, and about 10% for the U.S.

3. Other Conditions (As of September 30, 2008)

We do not implement leveraged finance deals and do not underwrite reinsurances of financial guarantee insurances and monoline insurers. Furthermore we did 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 23 and 24 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 First Half 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)

	1H FY2007		1H FY2008		FY2007	
		Change (%)		Change (%)		Change (%)
Fire and Allied Lines	57,236	-0.3	58,473	2.2	117,476	-2.6
Marine	2,744	4.0	2,939	7.1	5,551	2.9
Personal Accident	26,307	-1.2	25,458	-3.2	50,583	-2.2
Voluntary Automobile	234,748	-0.1	231,117	-1.5	466,731	-0.3
Compulsory Automobile Liability	85,728	0.0	73,750	-14.0	157,532	-7.6
Other	37,712	0.5	39,862	5.7	73,916	2.8
Total	444,478	-0.1	431,601	-2.9	871,793	-1.9

(2) Net Premiums Written by Class of Business

(Millions of Yen)

	1H FY2007		1H FY2008		FY2007	
		Change (%)		Change (%)		Change (%)
Fire and Allied Lines	48,987	1.1	49,488	1.0	100,326	-1.7
Marine	2,951	2.2	3,028	2.6	6,435	-0.7
Personal Accident	24,832	-1.6	23,918	-3.7	47,882	-2.7
Voluntary Automobile	238,061	0.4	235,555	-1.1	472,766	0.1
Compulsory Automobile Liability	75,913	-0.3	67,082	-11.6	149,545	-0.1
Other	37,876	2.1	38,970	2.9	74,891	4.6
Total	428,624	0.4	418,044	-2.5	851,849	0.1

(3) Net Loss Paid by Class of Business

(Millions of Yen)

	1H FY2007			1H FY2008			FY2007		
		Net Loss Ratio (%)*	Change (%)		Net Loss Ratio (%)*	Change (%)		Net Loss Ratio (%)*	Change (%)
Fire and Allied Lines	16,054	34.1	-6.2	15,751	33.4	-0.7	35,823	37.3	-6.9
Marine	1,965	69.1	20.3	1,278	44.2	-24.9	3,610	57.7	14.0
Personal Accident	9,042	39.8	1.8	10,965	49.5	9.7	20,390	45.7	4.7
Voluntary Automobile	132,953	60.3	2.6	134,220	61.7	1.4	277,946	63.3	1.7
Compulsory Automobile Liability	49,644	70.5	-1.1	50,817	81.7	11.2	100,168	72.3	0.3
Other	25,028	69.5	-13.3	26,625	72.3	2.8	57,141	80.0	-10.2
Total	234,688	58.8	-0.4	239,659	61.8	3.0	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)

	1H FY2007		1H FY2008		FY2007	
		Change (%)		Change (%)		Change (%)
Fire and Allied Lines	5,439	1.2	5,582	2.6	9,509	-1.9
Marine	993	3.8	1,127	13.5	2,364	1.0
Personal Accident	227	-17.4	253	11.2	740	-9.8
Voluntary Automobile	6,089	18.0	7,112	16.8	11,543	20.0
Compulsory Automobile Liability	55,771	-0.5	42,972	-22.9	110,569	0.4
Other	4,160	-15.3	2,978	-28.4	8,384	-9.5
Total	72,682	-0.1	60,026	-17.4	143,112	0.9

(2) Net Inwards Reinsurance Claims by Class of Business

(Millions of Yen)

	1H FY2007			1H FY2008			FY2007		
		Loss Ratio (%)*	Change (%)		Loss Ratio (%)*	Change (%)		Loss Ratio (%)*	Change (%)
Fire and Allied Lines	1,712	31.5	-23.0	1,105	19.8	-11.7	4,781	50.3	-16.3
Marine	1,125	113.3	38.9	623	55.3	-58.0	2,210	93.5	33.0
Personal Accident	170	74.9	5.5	568	224.4	149.5	322	43.6	3.0
Voluntary Automobile	3,568	58.6	1.6	3,662	51.5	-7.1	7,973	69.1	5.8
Compulsory Automobile Liability	49,644	89.0	-1.3	50,817	118.3	29.3	100,168	90.6	-0.3
Other	5,650	135.8	-74.6	6,485	217.8	82.0	17,543	209.2	-39.5
Total	61,871	85.1	-8.0	63,263	105.4	20.3	132,999	92.9	-4.0

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

3. Net Operating Expenses

(Millions of Yen)

		1H FY2007			1H FY2008		
		Change (%)	Expense Ratio (%)	Change (%)	Expense Ratio (%)		
Loss Adjustment Expenses + Sales and Administrative Expenses	Labor Cost	44,771	-0.2	10.4	45,930	2.6	11.0
	Non-Personal Expenses	36,742	1.9	8.6	39,572	7.7	9.5
	Tax and Other	5,713	-2.7	1.3	5,683	-0.5	1.4
	Subtotal	87,227	0.5	20.4	91,187	4.5	21.8
Sales and Administrative Expenses for Underwriting		65,826	1.0	15.4	68,542	4.1	16.4
Commissions and Collection Fees		74,438	1.5	17.4	74,389	-0.1	17.8
Net Operating Expenses		140,264	1.2	32.7	142,932	1.9	34.2

		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)

	1H FY2007		FY2007		1H FY2008			
	Amount	Reserve Ratio (%) [*]	Amount	Reserve Ratio (%) [*]	Amount	Reserve Ratio (%) [*]	Change from 1H FY2007	Change from FY2007
Fire	85,873	89.3	89,902	91.3	93,769	96.5	7,896	3,867
Marine	4,069	68.9	4,215	65.5	4,344	71.7	275	128
Personal Accident	32,151	64.7	32,861	68.6	33,600	70.2	1,449	739
Motor	101,304	21.3	91,099	19.3	90,449	19.2	-10,855	-650
Other	22,451	29.6	24,302	32.5	25,335	32.5	2,884	1,032
Total	245,850	34.9	242,382	34.6	247,500	35.4	1,649	5,117

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

Note: Reserve ratios for the first half are calculated after net premiums written (excluding dwelling EQ/ CALI) halved.

5. Total Assets and Managed Assets

(Millions of Yen)

	FY2007	1H FY2008	
			Change
Cash and Deposits	77,051	61,762	-15,288
Call Loans	20,000	20,000	-
Receivables under Resale Agreements	-	19,980	19,980
Monetary Receivables Purchased	29,736	22,368	-7,367
Money Held in Trust	2,222	2,312	89
Securities	1,678,821	1,572,241	-106,580
Bonds	733,105	695,448	-37,657
Equity Securities	468,033	409,862	-58,171
Foreign Securities	394,465	374,125	-20,339
Other Securities	83,216	92,804	9,587
Loans Receivables	340,228	345,567	5,338
Property, Plant and Equipment	150,335	149,872	-462
Intangible Assets	4,716	5,635	919
Other Assets	223,543	223,459	-84
Deferred Tax Assets	111,236	146,158	34,921
Customers' Liabilities for Acceptances and Guarantees	3,000	3,000	-
Allowance for Doubtful Accounts	-2,295	-1,698	596
Total Assets	2,638,595	2,570,659	-67,936
Managed Assets	2,285,812	2,184,063	-101,748
(Reference)			
Long-Lived Assets	573,258	563,661	-9,596

6. Investment Income and Expense

(Millions of Yen)

	1H FY2007	1H FY2008	Change		FY2007
Interest and Dividends Income	44,914	23,315		-21,599	81,864
Gain and Loss on Sales of Securities	12,979	10,709		-2,270	39,086
Loss on Valuation of Securities	-4,440	-5,665		-1,224	-12,496
Gain and Loss on Derivatives*	-25,597	-6,166		19,431	-84,774
Other Investment Gains and Losses	574	-1,693		-2,267	-1,560
Investment Income on Premiums for Maturity of Refundable Portion of Long-Term and Other Insurance	-10,627	-11,165		-538	-22,106
Investment Income and Loss	17,802	9,334		-8,468	13

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

(References) Investment and Dividends Income

(Millions of Yen)

	1H FY2007	1H FY2008	Change		FY2007
Securities	38,328	16,532		-21,796	68,671
Bonds	5,530	5,643		112	11,204
Equity Securities	5,402	5,093		-308	8,858
Foreign Securities	21,732	5,291		-16,441	35,771
Other Securities	5,663	504		-5,159	12,837
Loans	3,338	3,343		4	6,735
Land and Buildings	2,557	2,571		14	5,121
Others	690	868		178	1,335
Total	44,914	23,315		-21,599	81,864

7. Securities

(1) Unrealized Profit and Loss on Securities

(Millions of Yen)

1H FY2008	Cost	Fair Value	Unrealized Gains and Losses	
				Change
Bonds	692,579	695,240	2,661	-7,984
Equity Securities	233,961	345,994	112,032	-53,140
Foreign Securities	390,478	350,210	-40,267	-24,136
Others	121,939	104,206	-17,733	-10,677
Total	1,438,959	1,495,651	56,692	-95,938

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, which are fairly valued on the market, are listed in the above tables.

2. Monetary receivables purchased is included in others.

(2) Gain and Loss on Sales of Securities

(Millions of Yen)

	1H FY2007	1H FY2008	Change		FY2007
Bonds	642	2,955		2,312	5,587
Equity Securities	1,031	6,777		5,745	9,833
Foreign Securities	9,951	-541		-10,492	15,576
Others	1,354	1,517		163	8,089
Total	12,979	10,709		-2,270	39,086

(3) Loss on Valuation of Securities by Impairment

(Millions of Yen)

	1H FY2007	1H FY2008	Change		FY2007
Bonds	-	-		-	-
Equity Securities	4,429	4,163		-265	8,463
Foreign Securities	11	1,032		1,020	3,421
Others	-	469		469	611
Total	4,440	5,665		1,224	12,496