

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

* This is an unofficial English translation of the press release announced on August 11, 2008.

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

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1. Consolidated Business Results for the First 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	%
First Quarter FY2008	271,149	-	3,752	-	2,434	-
First Quarter FY2007	272,100	-	10,038	-	6,006	-

Ratios show changes from the previous first quarter.

	Net Income Per Share	Diluted Net Income Per Share
	Yen	Yen
First Quarter FY2008	3.31	-
First Quarter FY2007	8.17	8.17

Diluted net income per share for the first quarter of FY2008 is omitted since there is no residual securities.

(2) Consolidated Financial Positions

	Total Assets	Net Assets	Equity Ratio	Net Assets Per Share
	Millions of Yen	Millions of Yen	%	Yen
First Quarter FY2008	3,009,686	433,870	14.4	590.47
FY2007	2,987,234	422,392	14.1	574.83

(Reference) Equity: 433,667 million yen (As of June 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 quarter.

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
Second Quarter	530,000	-6.8	9,000	-12.3	5,500	-46.2	7.48
Full Year	1,060,000	-8.4	25,000	-	14,000	-	19.06

Ratios show changes from the previous first quarter.

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

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: Yes

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

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

1. Changes with revisions of accounting standards: Yes

2. 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 the shares issued (Treasury stocks included): 756,201,411 shares (As of June 30, 2009), 756,201,411 shares (As of March 31, 2008)

b. The number of treasury stocks: 21,762,858 shares (As of June 30, 2009), 21,752,158 shares (As of March 31, 2008)

c. The average number of stocks: 734,445,307 shares (As of June 30, 2009), 734,486,098 shares (As of June 30, 2008)

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. 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. Furthermore, this report is accordance with a regulation issued by the Financial Services Agency.

Qualitative Information and Financial Statements

1. Consolidated Financial Positions

Total assets as of June 30, 2008 increased by 22.4 billion yen to 3.0096 trillion yen as compared with the end of the previous fiscal year, and net assets was 433.8 billion yen as of June 30, 2008. As a result, equity ratio was 14.4% at the end of this quarter.

2. Consolidated Financial Results Forecast

As for consolidated business forecast for fiscal year 2008, operating income is 1.06 trillion yen, ordinary income is 25.0 billion yen, and net income is 14.0 billion yen. Please refer to 3. Consolidated Financial Results Forecast for Fiscal Year 2008 on page 1.

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 year 2008, is estimated to 10.0 billion yen for fiscal year 2008 based on past business results.
- As for asset management forecast, market interests, currency exchange rates, and stock market prices shall not be largely fluctuated after June 30, 2008.

Consolidated business forecasts are based on the above prerequisites. However, actual business results for fiscal year 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) Adoption of simple and easy methods for the accounting treatments and special accounting treatments for quarterly consolidated financial statements: None

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

1. 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. Furthermore, 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 this quarter 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 can be adopted in preparing consolidated quarterly financial statements after April 1, 2008. We use these standards from this quarter 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)	
	1Q FY2008	FY2007
	As of June 30, 2008	As of March 31, 2008
Assets		
Cash and deposits	83,023	105,877
Call loans	8,500	20,000
Receivables under resale agreements	15,778	7,988
Monetary receivables purchased	24,924	29,736
Money held in trust	2,360	2,222
Securities	2,015,599	1,959,337
Loans receivables	352,131	349,852
Property, plant and equipment	152,255	151,620
Intangible assets	6,886	7,261
Other assets	237,819	238,027
Deferred tax assets	109,483	114,659
Customers' liabilities for acceptances and guarantees	3,000	3,000
Allowance for doubtful accounts	-2,077	-2,350
Total assets	3,009,686	2,987,234
Liabilities		
Reserve for insurance policy liabilities	2,387,381	2,365,349
Outstanding claims	327,925	327,971
Policy reserve and other	2,059,455	2,037,378
Other liabilities	157,119	162,993
Provision for retirement benefits	20,057	19,961
Provision for directors' retirement benefits	34	1,231
Provision for bonuses	251	4,668
Reserves under the special laws	7,971	7,637
Reserve for price fluctuation	7,971	7,637
Acceptances and guarantees	3,000	3,000
Total liabilities	2,575,815	2,564,841
Net assets		
Shareholders' equity		
Capital stock	100,005	100,005
Capital surplus	44,088	44,088
Retained earnings	180,746	185,836
Treasury stock	-7,808	-7,800
Total shareholders' equity	317,031	322,128
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	116,109	99,129
Foreign currency translation adjustment	527	927
Total valuation and translation adjustments	116,636	100,056
Minority interests	202	207
Total net assets	433,870	422,392
Total liabilities and net assets	3,009,686	2,987,234

(2) Consolidated Quarterly Statements of Income

(Millions of Yen)

	1Q FY2008
	From April 1, 2008 to June 30, 2008
Operating income	271,149
Underwriting income	254,522
Net premiums written	216,516
Premiums of saving-type insurance	12,371
Life insurance premiums	17,101
Investment income from saving type insurance	5,660
Investment income	15,457
Interest and dividends income	15,865
Gain from money held in trust	12
Gain on trading securities	6
Gain on sales of securities	4,147
Income credited to saving type insurance	-5,660
Other operating income	1,170
Operating expenses	267,396
Underwriting expenses	218,684
Net loss paid	118,054
Loss adjustment expenses	10,037
Commissions and collection fees	42,671
Maturity refunds to policyholders	19,379
Life insurance claims paid	3,321
Provision of outstanding claims	1,676
Provision of policy reserve and other	23,099
Investment expenses	7,765
Loss on sales of securities	393
Net derivative financial instruments loss	5,761
Loss on valuation of securities	1,546
Sales and administrative expenses	40,674
Other operating expenses	272
Interest expenses	14
Ordinary income	3,752
Extraordinary income	385
Extraordinary loss	560
Provision of reserves under the special laws	334
Provision of reserve for price fluctuation	334
Income before income taxes and minority interests	3,576
Income taxes-current	5,572
Income taxes-deferred	-4,426
Minority interests in loss	-3
Net income	2,434

(3) Consolidated Quarterly Statements of Cash Flows

	(Millions of Yen)
	1Q FY2008
	From April 1, 2008
	to June 30, 2008
Net cash provided by (used in) operating activities	
Income before income taxes and minority interests	3,576
Depreciation and amortization	2,840
Impairment loss	118
Increase (decrease) in outstanding claims	1,676
Increase (decrease) in policy reserve and other	23,099
Increase (decrease) in allowance for doubtful accounts	(270)
Increase (decrease) in provision for retirement benefits	96
Increase (decrease) in Provision for directors' retirement benefits	(1,197)
Increase (decrease) in provision for bonuses	(4,416)
Increase (decrease) in reserve for price fluctuation	334
Interest and dividends income	-15,865
Loss (gain) related to securities	(2,217)
Interest expenses	14
Foreign exchange losses (gains)	(1,045)
Loss (gain) related to property, plant and equipment	(276)
Decrease (increase) in other investing and financing activities assets	6,535
Increase (decrease) in other investing and financing activities liabilities	(13,341)
Other, net	3,283
Subtotal	2,944
Interest and dividends income received	10,314
Interest expenses paid	-13
Income taxes paid	-463
Net cash provided by (used in) operating activities	12,781
Net cash provided by (used in) investment activities	
Net increase (decrease) in cash and deposits	(2,071)
Proceeds from sales and redemption of monetary receivables purchased	4,442
Increase in money held in trust	-11
Purchase of short-term investment securities	-108,099
Proceeds from sales and redemption of securities	78,132
Payments of loans receivable	-22,916
Collection of loans receivable	20,512
Other, net	-3
Total of net cash provided by (used in) investment transactions	-30,015
Total of net cash provided by (used in) operating activities and investment transactions	-17,234
Purchase of property, plant and equipment	-2,905
Proceeds from sales of property, plant and equipment	653
Other, net	-125
Net cash provided by (used in) investment activities	-32,392
Net cash provided by (used in) financing activities	
Sales of treasury stock	1
Purchase of treasury stock	-8
Cash dividends paid	-7,344
Other, net	-90
Net cash provided by (used in) financing activities	-7,441
Effect of exchange rate change on cash and cash equivalents	-1,955
Net increase (decrease) in cash and cash equivalents	(29,008)
Cash and cash equivalents at beginning of period	127,841
Cash and cash equivalents at end of period	98,833

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. Furthermore, 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

First Quarter FY2008 (From April 1, 2008 to June 30, 2008)

(Millions of Yen)

	Non-life Insurance	Life Insurance	Total	Elimination	Consolidated
Operating Income	252,418	19,070	271,489	-340	271,149
Ordinary Income	3,475	276	3,752	0	3,752

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 Quarter FY2008 (From April 1, 2008 to June 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 Quarter FY2008 (From April 1, 2008 to June 30, 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 First Quarter of Fiscal Year 2007

(Millions of Yen)

Item	Period	First Quarter FY2007 From April 1, 2007 to June 30, 2007
Operating income		272,100
Underwriting income		258,341
Net premiums written		218,632
Premiums of saving-type insurance		14,307
Investment income from saving-type insurance		5,416
Life insurance premiums		16,668
Investment Income		13,552
Interest and dividends income		15,580
Gains from money held in trust		4
Gains on trading securities		89
Gains on sales of securities		2,614
Income credited to saving type insurance		-5,416
Other operating income		206
Operating expenses		262,062
Underwriting expenses		221,367
Net loss paid		121,064
Loss adjustment expenses		8,991
Commissions and collection fees		41,504
Maturity refunds to policyholders		24,786
Life insurance claims paid		2,699
Provision for outstanding claims		9
Provision for policy reserve and other		21,814
Investment expenses		2,901
Loss on sales of securities		351
Losses on valuation of securities		1,728
Sales and administrative expenses		37,540
Other operating expenses		252
Interest expenses		8
Ordinary income		10,038
Extraordinary income		46
Extraordinary loss		1,393
Provision for reserves under the special laws		345
Provision of reserve for price fluctuation		345
Others		1,048
Income before income taxes and minority interests		8,690
Tax adjustments-current		6,530
Tax adjustments-deferred		-3,844
Minority interests in loss		1
Net income		6,006

5. Other Information

Summary of Consolidated Statements of Income

(Millions of Yen)

Item	Period	First Quarter FY2007 From April 1, 2007 to June 30, 2007	First Quarter FY2008 From April 1, 2008 to June 30, 2008	Change	Rate of Change
Underwriting income		258,341	254,522	-3,819	-1.5
Net premiums written		218,632	216,516	-2,115	-1.0
Premiums of saving-type insurance		14,307	12,371	-1,936	-13.5
Life insurance premiums		16,668	17,101	433	2.6
Underwriting expenses		221,367	218,684	-2,683	-1.2
Net loss paid		121,064	118,054	-3,009	-2.5
Loss adjustment expenses		8,991	10,037	1,046	11.6
Commissions and collection fees		41,504	42,671	1,167	2.8
Maturity refunds to policyholders		24,786	19,379	-5,407	-21.8
Life insurance claims paid		2,699	3,321	622	23.0
Provision for outstanding claims		9	1,676	1,667	-
Provision for policy reserve and other		21,814	23,099	1,284	5.9
Investment income		13,552	15,457	1,904	14.1
Interest and dividends income		15,580	15,865	284	1.8
Gains on sales of securities		2,614	4,147	1,533	58.6
Investment expenses		2,901	7,765	4,864	167.7
Loss on sales of securities		351	393	42	12.0
Loss on valuation of securities		1,728	1,546	-182	-10.5
Loss on Derivatives		788	5,761	4,972	630.8
Sales and administrative expenses		37,540	40,674	3,134	8.3
Other ordinary income and loss		-46	897	944	-
Ordinary income		10,038	3,752	-6,285	-62.6
Extraordinary income		46	385	338	734.3
Extraordinary loss		1,393	560	-832	-59.8
Extraordinary income and loss		-1,347	-175	1,171	-
Income before income taxes and minority interests		8,690	3,576	-5,114	-58.8
Tax adjustments-current		6,530	5,572	-958	-14.7
Tax adjustments-deferred		-3,844	-4,426	-582	-
Minority interests in loss		1	3	1	85.4
Net income		6,006	2,434	-3,571	-59.5

Note: The figures for the previous first 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)

	First Quarter FY2007 From April 1, 2007 to June 30, 2007			First Quarter FY2008 From April 1, 2008 to June 30, 2008		
	Amount	Proportion	Change	Amount	Proportion	Change
Fire and Allied Lines	33,213	13.2	0.6	33,342	13.4	0.4
Marine	1,455	0.6	-3.7	1,558	0.6	7.1
Personal Accident	23,632	9.4	1.2	21,333	8.5	-9.7
Voluntary Automobile	127,608	50.7	0.9	126,516	50.6	-0.9
Compulsory Automobile Liability	43,902	17.4	0.2	44,093	17.7	0.4
Other	21,892	8.7	3.1	23,067	9.2	5.4
Total	251,704	100.0	0.9	249,913	100.0	-0.7
(Including premiums of saving-type insurance)	14,307	5.7	-1.5	12,371	5.0	-13.5

Net Premiums Written by Class of Business

(Millions of Yen)

	First Quarter FY2007 From April 1, 2007 to June 30, 2007			First Quarter FY2008 From April 1, 2008 to June 30, 2008		
	Amount	Proportion	Change	Amount	Proportion	Change
Fire and Allied Lines	21,742	10.0	4.4	21,785	10.1	0.2
Marine	1,339	0.6	-2.4	1,394	0.6	4.1
Personal Accident	12,908	5.9	-0.1	11,975	5.5	-7.2
Voluntary Automobile	127,710	58.4	1.4	126,809	58.6	-0.7
Compulsory Automobile Liability	33,912	15.5	-0.3	33,545	15.5	-1.1
Other	21,021	9.6	6.9	21,008	9.7	-0.1
Total	218,634	100.0	1.8	216,518	100.0	-1.0

Net Loss Paid by Class of Business

(Millions of Yen)

	First Quarter FY2007 From April 1, 2007 to June 30, 2007			First Quarter FY2008 From April 1, 2008 to June 30, 2008		
	Amount	Proportion	Change	Amount	Proportion	Change
Fire and Allied Lines	8,429	6.9	-6.4	7,605	6.4	-9.8
Marine	1,215	1.0	92.7	720	0.6	-40.7
Personal Accident	4,437	3.7	5.6	4,984	4.2	12.3
Voluntary Automobile	69,369	57.3	10.7	66,183	56.1	-4.6
Compulsory Automobile Liability	24,173	20.0	-1.4	24,791	21.0	2.6
Other	13,439	11.1	-11.6	13,768	11.7	2.4
Total	121,064	100.0	4.2	118,054	100.0	-2.5

Note: 1. The figures in the above tables are after offsetting of internal transactions among segments.

Consolidated Marketable Securities

(Millions of Yen)

Period Type	First Quarter FY2008 (As of June 30, 2008)			FY2007 (As of March 31, 2008)		
	Cost	Fair Value	Difference	Cost	Fair Value	Difference
Bonds	801,915	801,454	-460	782,994	795,322	12,327
Equity securities	239,313	436,411	197,098	239,430	405,487	166,056
Foreign securities	388,997	379,506	-9,490	390,852	374,696	-16,156
Other securities	107,040	101,656	-5,383	109,484	102,562	-6,921
Total	1,537,266	1,719,029	181,763	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 sheet.

Consolidated Derivative Transaction

(Millions of Yen)

Type	Transaction	First Quarter FY2008 (As of June 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						
	Selling	1,060	1,063	-2	-	-	-
	Buying	79,808	83,399	3,590	77,170	75,206	-1,963
Interest Rate Swaps		3,500	86	86	3,500	153	153
Others	Credit Derivatives						
	Selling	163,573	-52,174	-52,174	158,665	-43,490	-43,490
Total		-	-	-48,499	-	-	-45,300

Summary of Non-Consolidated Statements of Income

(Millions of Yen)

Item	Period	First Quarter FY2007 From April 1, 2007 to June 30, 2007	First Quarter FY2008 From April 1, 2008 to June 30, 2008	Change	Rate of Change
					%
Direct net premium including savings type insurance premium income		242,980	240,388	-2,592	-1.1
Direct net premium		228,673	228,017	-655	-0.3
Underwriting income		234,818	230,000	-4,817	-2.1
Net premiums written		211,795	209,138	-2,657	-1.3
Premiums of saving-type insurance		14,307	12,371	-1,936	-13.5
Underwriting expenses		197,941	194,316	-3,625	-1.8
Net loss paid		117,567	114,907	-2,659	-2.3
Loss adjustment expenses		8,945	9,878	933	10.4
Commissions and collection fees		38,270	38,888	618	1.6
Maturity refunds to policyholders		24,786	19,379	-5,407	-21.8
Provision of outstanding claims		24	1,735	1,710	-
Provision of policy reserve and other		7,873	9,105	1,232	15.7
Investment income		11,730	13,296	1,566	13.4
Interest and dividends income		13,880	13,831	-48	-0.3
Gains on sales of securities		2,568	4,146	1,577	61.4
Investment expenses		2,863	7,763	4,899	171.1
Loss on sales of securities		346	393	46	13.5
Loss on valuation of securities		1,728	1,546	-182	-10.5
Loss on Derivatives		788	5,761	4,972	631.0
Sales and administrative expenses		35,054	37,582	2,527	7.2
Sales and administrative expenses for		32,775	35,318	2,543	7.8
Other ordinary income and loss		232	929	696	300.2
Ordinary income		10,921	4,563	-6,357	-58.2
Underwriting profit and loss		2,962	-657	-3,620	-122.2
Extraordinary income		46	385	338	734.3
Extraordinary loss		1,314	540	-774	-58.9
Extraordinary income and loss		-1,268	-155	1,112	-
Income before income taxes and minority		9,652	4,408	-5,244	-54.3
Tax adjustments-current		6,520	5,551	-969	-14.9
Tax adjustments-deferred		-3,855	-4,601	-745	-
Net income		6,988	3,459	-3,529	-50.5
Loss ratio		59.7%	59.7%	/	/
Expense ratio		33.5%	35.5%	/	/

Note:

1. Underwriting profit = Underwriting income – (Underwriting expenses + Sales and administrative expenses for underwriting)
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
4. 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 law.

Non-Consolidated Premiums and Losses by Class

Direct Premium Written by Class of Business

(Millions of Yen)

	First Quarter FY2007 From April 1, 2007 to June 30, 2007			First Quarter FY2008 From April 1, 2008 to June 30, 2008		
	Amount	Proportion	Change	Amount	Proportion	Change
Fire and Allied Lines	29,142	12.8	2.3	29,470	12.9	1.1
Marine	1,455	0.6	-2.3	1,558	0.7	7.1
Personal Accident	13,511	5.9	0.0	12,861	5.6	-4.8
Voluntary Automobile	120,345	52.6	-0.1	118,469	52.0	-1.6
Compulsory Automobile Liability	43,902	19.2	0.2	44,093	19.3	0.4
Other	20,316	8.9	-0.2	21,564	9.5	6.1
Total	228,673	100.0	0.3	228,017	100.0	-0.3
(Including premiums of saving-type insurance)	242,980		0.2	240,388		-1.1

Net Premiums Written by Class of Business

(Millions of Yen)

	First Quarter FY2007 From April 1, 2007 to June 30, 2007			First Quarter FY2008 From April 1, 2008 to June 30, 2008		
	Amount	Proportion	Change	Amount	Proportion	Change
Fire and Allied Lines	21,699	10.3	5.4	21,794	10.4	0.4
Marine	1,350	0.6	-1.7	1,403	0.7	3.9
Personal Accident	12,905	6.1	-0.1	11,971	5.7	-7.2
Voluntary Automobile	121,782	57.5	0.7	120,276	57.5	-1.2
Compulsory Automobile Liability	33,912	16.0	-0.3	33,545	16.1	-1.1
Other	20,146	9.5	3.4	20,146	9.6	0.0
Total	211,795	100.0	1.2	209,138	100.0	-1.3

Net Loss Paid by Class of Business

(Millions of Yen)

	First Quarter FY2007 From April 1, 2007 to June 30, 2007			First Quarter FY2008 From April 1, 2008 to June 30, 2008		
	Amount	Change	Loss Ratio	Amount	Change	Loss Ratio
Fire and Allied Lines	8,424	-5.6	40.4	7,593	-9.9	36.7
Marine	1,217	92.3	93.2	727	-40.2	54.2
Personal Accident	4,436	5.6	37.7	4,983	12.3	45.3
Voluntary Automobile	66,088	10.4	58.7	63,186	-4.4	57.3
Compulsory Automobile Liability	24,173	-1.4	77.3	24,791	2.6	81.3
Other	13,226	-13.0	69.0	13,625	3.0	71.5
Total	117,567	3.8	59.7	114,907	-2.3	59.7

Note: 1. Loss ratio = Net loss paid + Loss adjustment expenses

Investment Conditions of Securitized Products

We invest in securitized products, such as marketable securities and credit derivatives. The booked amount of marketable securities was 66.1 billion yen equivalent, and the notional amount of credit derivatives was 163.5 billion yen equivalent as of June 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 June 30, 2008)

(100 Millions of Yen)

	Booked Amount		Fair Value		Unrealized Profit and Loss		Profit and Loss for 1Q FY2008		
		Change from Mar. 31, 2008		Change from Mar. 31, 2008		Change from Mar. 31, 2008	Evaluation Loss	Profit and Loss on Sale	Total
Total Amount of Securitized Products	661	-96	649	-92	-11	4	-4	-0	-5

(1) Special Purpose Entity (SPE)

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

(100 Millions of Yen)

	Booked Amount		Fair Value		Unrealized Profit and Loss		Profit and Loss for 1Q FY2008		
		Change from Mar. 31, 2008		Change from Mar. 31, 2008		Change from Mar. 31, 2008	Evaluation Loss	Profit and Loss on Sale	Total
Total Amount	3	-	9	1	6	1	-	-	-
ABCP	-	-	-	-	-	-	-	-	-
Bond Issued by SIV*	3	-	9	1	6	1	-	-	-
Other	-	-	-	-	-	-	-	-	-

* We hold subordinated bonds issued by Structured Investment Vehicles (SIVs). More than 85% of pledged assets for the bonds as collaterals keep AAA ratings, and more than 95% of the assets keep higher than A ratings. More than half of the bonds are Residential Mortgage Backed Securities (RMBSs) and Commercial Mortgage Backed Securities (CMBSs). These 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 4.1 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 1Q FY2008		
		Change from Mar. 31, 2008		Change from Mar. 31, 2008		Change from Mar. 31, 2008	Evaluation Loss	Profit and Loss on Sale	Total
Total Amount	43	-7	38	-3	-4	3	-4	-	-4
CLO*	43	-7	38	-3	-4	3	-4	-	-4
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 not included.

(100 Millions of Yen)

	Booked Amount		Fair Value		Unrealized Profit and Loss		Profit and Loss for 1Q FY2008		
		Change from Mar. 31, 2008		Change from Mar. 31, 2008		Change from Mar. 31, 2008	Evaluation Loss	Profit and Loss on Sale	Total
Total Amount	615	-89	601	-90	-13	-0	-	-0	-0
CMBS	72	-0	72	-0	-0	-0	-	-	-
RMBS	339	-75	337	-82	-1	-6	-	-0	-0
ABS and Other	202	-13	191	-7	-11	5	-	-	-

Overseas exposure in the above chart are as follows:

(100 Millions of Yen)

	Booked Amount		Fair Value		Unrealized Profit and Loss		Profit and Loss for 1Q FY2008		
		Change from Mar. 31, 2008		Change from Mar. 31, 2008		Change from Mar. 31, 2008	Evaluation Loss	Profit and Loss on Sale	Total
Total Amount	121	-0	110	5	-10	6	-	-	-
CMBS	-	-	-	-	-	-	-	-	-
RMBS	-	-	-	-	-	-	-	-	-
ABS and Other	121	-0	110	5	-10	6	-	-	-

2. Investment Conditions of Credit Derivative Transaction (As of June 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 those exposures. We traded exchange hedges but did not trade any other hedges as of June 30, 2008. The notional amounts were increased due to the depreciation of the yen even though we did not invest on new credit derivatives for this period.

(100 Millions of Yen)

	Notional Amount		Evaluation Profit and Loss		Outstanding Exposure		Profit and Loss for 1Q FY2008		
		Change from Mar. 31, 2008		Change from Mar. 31, 2008		Change from Mar. 31, 2008	Fair Value Change	Cancellation	Total
Total Amount	1,635	49	-521	-86	1,113	-37	-86	-	-86
ABS-CDO* ¹	566	29	-507	-97	58	-68	-97	-	-97* ³
Corporate CDO* ²	779	19	-12	9	766	28	9	-	9
CDS	290	-	-1	1	288	1	1	-	1
Profit and Loss on Currency Hedge (Exchange Contract)							27	-	27* ³
Profit and Loss on Subprime Related Investments (Total* ³)							-70	-	-70

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 1Q FY2008		
		Change from Mar. 31, 2008		Change from Mar. 31, 2008		Change from Mar. 31, 2008	Fair Value Change	Cancellation	Total
Total Amount	895	49	-508	-97	387	-48	-97	-	-97
ABS-CDO	566	29	-507	-97	58	-68	-97	-	-97
Corporate CDO	329	19	-0	0	328	19	0	-	0
CDS	-	-	-	-	-	-	-	-	-

*¹ The ratings of ABS-CDOs, which partially contain subprime related loans, are 53.4% for AAA, 14.1% for AA, 20.7% for BBB, and 11.8% for BB 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.

*² About 90% of Corporate CDOs keep AAA ratings, and the other Corporate CDOs keep higher than AA 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 June 30, 2008)

We did not implement leveraged finance deals and did not underwrite financial guarantee insurances and reinsurance from monoline insurers. The consolidated subsidiaries did not hold securitized products. The booked amount of bonds issued by housing enterprises sponsored by the American government was 4.7 billion yen, and the bonds were not securitized products, such as PMBSs. The consolidated subsidiaries did 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 First Quarter of Fiscal Year 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)

	1Q FY2007		1Q FY2008		FY2007	
		Change (%)		Change (%)		Change (%)
Fire and Allied Lines	29,142	2.3	29,470	1.1	117,476	-2.6
Marine	1,455	-2.3	1,558	7.1	5,551	2.9
Personal Accident	13,511	0.0	12,861	-4.8	50,583	-2.2
Voluntary Automobile	120,345	-0.1	118,469	-1.6	466,731	-0.3
Compulsory Automobile Liability	43,902	0.2	44,093	0.4	157,532	-7.6
Other	20,316	-0.2	21,564	6.1	73,916	2.8
Total	228,673	0.3	228,017	-0.3	871,793	-1.9

(2) Net Premiums Written by Class of Business

(Millions of Yen)

	1Q FY2007		1Q FY2008		FY2007	
		Change (%)		Change (%)		Change (%)
Fire and Allied Lines	21,699	5.4	21,794	0.4	100,326	-1.7
Marine	1,350	-1.7	1,403	3.9	6,435	-0.7
Personal Accident	12,905	-0.1	11,971	-7.2	47,882	-2.7
Voluntary Automobile	121,782	0.7	120,276	-1.2	472,766	0.1
Compulsory Automobile Liability	33,912	-0.3	33,545	-1.1	149,545	-0.1
Other	20,146	3.4	20,146	0.0	74,891	4.6
Total	211,795	1.2	209,138	-1.3	851,849	0.1

(3) Net Loss Paid by Class of Business

(Millions of Yen)

	1Q FY2007		1Q FY2008			FY2007		
		Net Loss Ratio (%)*		Net Loss Ratio (%)*	Change (%)		Net Loss Ratio (%)*	Change (%)
Fire and Allied Lines	8,424	40.4	7,593	36.7	-3.7	35,823	37.3	-6.9
Marine	1,217	93.2	727	54.2	-39.0	3,610	57.7	14.0
Personal Accident	4,436	37.7	4,983	45.3	7.6	20,390	45.7	4.7
Voluntary Automobile	66,088	58.7	63,186	57.3	-1.4	277,946	63.3	1.7
Compulsory Automobile Liability	24,173	77.3	24,791	81.3	4.0	100,168	72.3	0.3
Other	13,226	69.0	13,625	71.5	2.5	57,141	80.0	-10.2
Total	117,567	59.7	114,907	59.7	0.0	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)

	1Q FY2007		1Q FY2008		FY2007	
		Change (%)		Change (%)		Change (%)
Fire and Allied Lines	1,771	14.9	1,876	5.9	9,509	-1.9
Marine	384	-0.3	504	31.3	2,364	1.0
Personal Accident	241	-3.3	51	-78.7	740	-9.8
Voluntary Automobile	3,185	33.8	3,517	10.4	11,543	20.0
Compulsory Automobile Liability	23,575	-0.8	19,250	-18.3	110,569	0.4
Other	2,469	-8.2	1,278	-48.2	8,384	-9.5
Total	31,627	2.0	26,478	-16.3	143,112	0.9

(2) Net Inwards Reinsurance Claims by Class of Business

(Millions of Yen)

	1Q FY2007		1Q FY2008		FY2007	
		Loss Ratio (%)*		Loss Ratio (%)*		Loss Ratio (%)*
Fire and Allied Lines	1,205	68.0	664	35.4	4,781	50.3
Marine	741	193.0	403	79.9	2,210	93.5
Personal Accident	75	31.3	67	132.7	322	43.6
Voluntary Automobile	1,803	56.6	1,676	47.7	7,973	69.1
Compulsory Automobile Liability	24,173	102.5	24,791	128.8	100,168	90.6
Other	3,407	138.0	4,130	323.2	17,543	209.2
Total	31,406	99.3	31,734	119.9	132,999	92.9

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

3. Net Operating Expenses

(Millions of Yen)

	1Q FY2007		1Q FY2008			FY2007	
	Amount	Expense Ratio (%)	Amount	Change (%)	Expense Ratio (%)	Amount	Expense Ratio (%)
Labor Cost	22,663	10.7	23,256	2.6	11.1	89,197	0.0
Loss Adjustment Expenses + Sales and Administrative Expenses	17,565	8.3	20,483	16.6	9.8	80,885	6.3
Tax and Other	3,770	1.8	3,721	-1.3	1.8	9,498	-2.7
Subtotal	43,999	20.8	47,461	7.9	22.7	179,581	2.6
Sales and Administrative Expenses for Underwriting	32,775	15.5	35,318	7.8	16.9	136,431	3.1
Commissions and Collection Fees	38,270	18.1	38,888	1.6	18.6	147,020	0.9
Net Operating Expenses	71,045	33.5	74,207	4.5	35.5	283,451	1.9

4. Catastrophe Reserves

(Millions of Yen)

	1Q FY2007		FY2007		1Q FY2008		Change from 1Q FY2007	Change from FY2007
	Amount	Reserve Ratio (%)*	Amount	Reserve Ratio (%)*	Amount	Reserve Ratio (%)*		
Fire	83,739	98.7	89,902	91.3	91,608	107.5	7,868	1,705
Marine	4,000	74.1	4,215	65.5	4,263	76.0	262	47
Personal Accident	31,775	61.6	32,861	68.6	33,236	69.4	1,460	374
Motor	101,966	20.9	91,099	19.3	96,568	20.1	-5,398	5,469
Other	21,771	27.0	24,302	32.5	24,506	30.4	2,734	203
Total	243,254	34.3	242,382	34.6	250,183	35.7	6,928	7,800

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

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

5. Total Assets and Managed Assets

(Millions of Yen)

	FY2007	1Q FY2008	Change
	Cash and Deposits	77,051	53,676
Call Loans	20,000	8,500	-11,500
Receivable under Resale Agreements	-	8,990	8,990
Monetary Receivables Purchased	29,736	24,924	-4,811
Money Held in Trust	2,222	2,360	138
Securities	1,678,821	1,723,627	44,805
Bonds	733,105	737,204	4,098
Equity Securities	468,033	500,249	32,215
Foreign Securities	394,465	399,478	5,013
Other Securities	83,216	86,695	3,478
Loans Receivables	340,228	342,421	2,193
Property, Plant and Equipment	150,335	151,037	702
Intangible Assets	4,716	4,344	-371
Other Assets	223,543	225,246	1,703
Deferred Tax Assets	111,236	105,859	-5,377
Customers' Liabilities for Acceptances and Guarantees	3,000	3,000	-
Allowance for Doubtful Accounts	-2,295	-2,025	270
Total Assets	2,638,595	2,651,964	13,368
Managed Assets	2,285,812	2,305,304	19,492
(Reference)			
Long-Lived Assets	573,258	569,352	-3,905

6. Investment Income and Expense

(Millions of Yen)

	1Q FY2007	1Q FY2008	Change	
			1Q FY2008	FY2007
Interest and Dividends Income	13,880	13,831	-48	81,864
Gain and Loss on Sales of Securities	2,222	3,752	1,530	39,086
Loss on Valuation of Securities	-1,728	-1,546	182	-12,496
Gain and Loss on Derivatives*	-788	-5,761	-4,972	-84,774
Other Investment Gains and Losses	697	916	219	-1,560
Investment Income on Premiums for Maturity of Refundable Portion of Long-Term and Other Insurance	-5,416	-5,660	-244	-22,106
Investment Income and Loss	8,866	5,532	-3,333	13

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

(References) Investment and Dividends Income

(Millions of Yen)

	1Q FY2007	1Q FY2008	Change	
			1Q FY2008	FY2007
Securities	10,541	10,355	-186	68,671
Bonds	2,747	2,832	84	11,204
Equity Securities	4,388	4,750	361	8,858
Foreign Securities	2,806	2,693	-112	35,771
Other Securities	599	78	-520	12,837
Loans	1,663	1,670	7	6,735
Land and Buildings	1,291	1,274	-17	5,121
Others	384	532	147	1,335
Total	13,880	13,831	-48	81,864

7. Securities

(1) Unrealized Profit and Loss on Securities

(Millions of Yen)

1Q FY2008	Cost	Fair Value	Unrealized Gains and Losses	
			1Q FY2008	Change
Bonds	737,837	736,996	-840	-11,486
Equity Securities	238,589	434,660	196,071	30,897
Foreign Securities	385,059	375,589	-9,469	6,662
Others	105,951	100,338	-5,613	1,443
Total	1,467,437	1,647,585	180,147	27,516

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. Other 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)

	1Q FY2007	1Q FY2008	Change	
			1Q FY2008	FY2007
Bonds	321	2,031	1,710	5,587
Equity Securities	816	92	-724	9,833
Foreign Securities	1,084	111	-973	15,576
Others	-	1,517	1,517	8,089
Total	2,222	3,752	1,530	39,086

(3) Loss on Valuation of Securities by Impairment

(Millions of Yen)

	1Q FY2007	1Q FY2008	Change	
			1Q FY2008	FY2007
Bonds	-	-	-	-
Equity Securities	1,728	729	-998	8,463
Foreign Securities	-	487	487	3,421
Others	-	329	329	611
Total	1,728	1,546	-182	12,496