

Summary of Financial Results for Fiscal Year 2007 Ended March 31, 2008

This is an unofficial English translation of the press release announced on May 21, 2008.
All amounts are truncated, and all ratios are rounded off.

Company Name: Aioi Insurance Company, Limited
 Representative: Tadashi KODAMA, Representative Director and President
 Contact Persons: Kazunori ADACHI, Chief of IR Section, Corporate Communication Department
 Hidenobu GOH, Chief of Accounting Group, Accounting Department
 TEL: + 81 3 5424 0101
 URL: <http://www.ioi-sonpo.co.jp>

Scheduled Date of Ordinary General Meeting of Shareholders: June 26, 2008
 Scheduled Date of Filing of Financial Report: June 27, 2008
 Scheduled Date of Payment of Year-End Dividend: June 27, 2008

1. Consolidated Business Results for Fiscal Year 2007 Ended March 31, 2008

(1) Consolidated Financial Results

	Ordinary Income		Ordinary Profit		Net Income	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
FY2007	1,156,992	(6.1)	-8,618	(-131.7)	-3,172	(-119.6)
FY2006	1,089,973	(1.2)	27,201	(8.8)	16,187	(-22.1)

The ratios in the above chart show changes from the previous period.

	Net Income Per Share	Diluted Net Income Per Share	Return on Equity	Total Assets Ordinary Profit Ratio	Ordinary Income Ordinary Profit Ratio
	Yen	Yen	%	%	%
FY2007	-4.31	-	-0.6	-0.3	-0.7
FY2006	22.04	22.03	2.6	0.9	2.5

Diluted net income per share is omitted since net loss per share is reported for fiscal year 2007.

(2) Consolidated Financial Positions

	Total Assets	Net Assets	Equity Ratio	Net Assets Per Share
	Millions of Yen	Millions of Yen	%	Yen
FY2007	2,987,234	422,392	14.1	574.83
FY2006	3,082,676	620,731	20.1	845.07

(Reference) Equity: 422,185 million yen (As of March 31, 2008), 620,705 million yen (As of March 31, 2007)

(3) Consolidated Statements of Cash Flows

	Cash Flows from Operating Activities	Cash Flows from Investing Activities	Cash Flows from Financial Activities	Cash and Cash Equivalents at the End of Fiscal Year
	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen
FY2007	90,243	-52,190	-7,614	127,841
FY2006	105,575	-54,405	-7,394	96,940

2. Delivery of Dividend

	Dividend Per Share			Total Dividend	Dividend Payout Ratio (Consolidated)	Dividends on Net Assets (Consolidated)
	First Half	Year-End	Full Year			
FY2006	Yen -	Yen 10.00	Yen 10.00	Millions of Yen 7,344	% 45.4	% 1.2
FY2007	-	10.00	10.00	7,344	-	1.4
Forecast for FY2008	-	10.00	10.00		52.5	

Consolidated dividend payout ratio is omitted since net loss is reported for fiscal year 2007.

3. Consolidated Financial Results Forecast for Fiscal Year 2008

	Ordinary Income		Ordinary Profit		Net Income		Net Income Per Share
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Yen
First Half	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

The ratios in the above chart show changes from the same period in the previous fiscal year.

4. Others

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

(2) Changes in accounting principle, procedure, and presentation in preparing consolidated financial statements
(Matters described in "Changes in Accounting Treatments for Consolidated Financial Statements" on page 7.)

a. Changes due to revision of accounting standards: Yes

b. Changes other than the above: None

Please refer to "Changes in Accounting Treatments for Consolidated Financial Statements" on page 7 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 March 31, 2008), 756,201,411 shares (As of March 31, 2007)

b. The number of treasury stocks

21,752,158 shares (As of March 31, 2008), 21,701,970 shares (As of March 31, 2007)

Please refer to "Per Share Information" on page 15 for the number of shares on which the calculation of net income per share was based.

(Reference) Summary of Non-Consolidated Financial Results

1. Non-Consolidated Financial Results for Fiscal Year 2007

(1) Non-Consolidated Financial Results

	Net Premiums Written		Ordinary Profit		Net Income	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
FY2007	851,849	(0.1)	4,431	(-85.1)	7,171	(-62.0)
FY2006	851,238	(2.0)	29,808	(19.7)	18,874	(-4.4)

Ratios show changes from the previous period.

	Net Income Per Share	Diluted Net Income Per Share	Return On Equity	Loss Ratio	Expense Ratio
	Yen	Yen	%	%	%
FY2007	9.76	9.76	1.3	62.2	33.3
FY2006	25.69	25.69	3.0	62.4	32.7

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

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

(2) Non-Consolidated Financial Positions

	Total Assets	Net Assets	Equity Ratio	Net Assets Per Share
	Millions of Yen	Millions of Yen	%	Yen
FY2007	2,638,595	441,106	16.7	600.59
FY2006	2,784,898	628,680	22.6	855.93

(Reference) Equity: 441,106 millions of yen (As of March 31, 2008), 628,680 millions of yen (As of March 31, 2007)

2. Non-Consolidated Financial Results Forecast for Fiscal Year 2008

	Net Premiums Written		Ordinary Profit		Net Income		Net Income Per Share
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Yen
First Half	425,000	(-0.8)	11,000	(-46.6)	7,000	(-60.6)	9.53
Full Year	835,000	(-2.0)	28,000	(531.9)	17,000	(137.0)	23.14

Ratios show changes from the same period in the previous fiscal year.

This report contains forward-looking statements about future performance and plans of Aioi Insurance Company, Limited 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 expressed or implied by these forward-looking statements.

Consolidated Balance Sheets

(Millions of Yen)

Item	FY2006 (As of March 31, 2007)		FY2007 (As of March 31, 2008)		Change
	Amount	Proportion %	Amount	Proportion %	
Assets					
Cash and deposits	71,236	2.31	105,877	3.54	34,641
Call loans	20,000	0.65	20,000	0.67	-
Receivables under resale agreements	9,391	0.30	7,988	0.27	-1,403
Monetary receivables bought	22,173	0.72	29,736	1.00	7,562
Money held in trust	5,050	0.16	2,222	0.07	-2,827
Investments in securities	2,233,984	72.47	1,959,337	65.59	-274,646
Loans	348,745	11.31	349,852	11.71	1,107
Tangible assets	155,517	5.05	151,620	5.08	-3,896
Intangible assets	6,480	0.21	7,261	0.24	781
Other assets	201,503	6.54	238,027	7.97	36,524
Deferred tax assets	7,839	0.25	114,659	3.84	106,819
Customers' liabilities for acceptances and guarantees	3,000	0.10	3,000	0.10	-
Allowance for doubtful accounts	-2,245	-0.07	-2,350	-0.08	-104
Total assets	3,082,676	100.00	2,987,234	100.00	-95,442
Liabilities					
Underwriting funds	2,309,282	74.91	2,365,349	79.18	56,066
Outstanding claims	340,109		327,971		-12,138
Underwriting reserves	1,969,173		2,037,378		68,205
Other liabilities	119,473	3.87	162,993	5.46	43,520
Liability for employees' retirement benefits	19,355	0.63	19,961	0.67	605
Liability for directors' retirement benefits	-	-	1,231	0.04	1,231
Liability for bonuses	4,521	0.15	4,668	0.16	146
Reserve under special law	6,312	0.20	7,637	0.25	1,324
Reserve for price fluctuation	6,312		7,637		
Acceptances and guarantees	3,000	0.10	3,000	0.10	-
Total liabilities	2,461,945	79.86	2,564,841	85.86	102,895
Net assets					
Shareholders' equity					
Share capital	100,005	3.24	100,005	3.35	-
Capital surplus	44,081	1.43	44,088	1.47	6
Retained earnings	196,501	6.38	185,836	6.22	-10,664
Treasury stock	-7,742	-0.25	-7,800	-0.26	-58
Total shareholders' equity	332,845	10.80	322,128	10.78	-10,716
Valuation and translation adjustments					
Unrealized gains on available-for-sale securities	286,410	9.29	99,129	3.32	-187,281
Foreign currency translation adjustments	1,448	0.05	927	0.03	-521
Total valuation and translation adjustments	287,859	9.34	100,056	3.35	-187,802
Minority interests	26	0.00	207	0.01	181
Total net assets	620,731	20.14	422,392	14.14	-198,338
Total liabilities and net assets	3,082,676	100.00	2,987,234	100.00	-95,442

Consolidated Statements of Income

(Millions of Yen)

Item	FY2006		FY2007		Change
	From April 1, 2006 to March 31, 2007		From April 1, 2007 to March 31, 2008		
	Amount	Ratio	Amount	Ratio	
		%		%	
Ordinary income	1,089,973	100.00	1,156,992	100.00	67,018
Underwriting income	1,040,829	95.49	1,038,610	89.77	-2,218
Net premiums written	868,907		871,589		2,681
Premiums for maturity of refundable portion of long-term insurance	65,710		59,802		-5,907
Investment income on premiums for maturity of refundable portion of long-term and other insurance	22,007		22,106		99
Life insurance premiums	67,757		72,019		4,261
Reversal of outstanding claims	7,327		12,296		4,969
Other underwriting income	9,119		796		-8,323
Investment Income	48,369	4.44	116,551	10.07	68,181
Interest and dividend income	57,503		89,297		31,793
Gains on money held in trust	39		23		-15
Gains on trading securities	-		20		20
Gains on sales of investment in securities	12,114		48,372		36,258
Gains on redemption of securities	27		675		647
Gains on derivatives	164		-		-164
Other investment income	527		267		-260
Transfer of investment income on premiums for maturity of refundable portion of long-term and other insurance	-22,007		-22,106		-99
Other ordinary income	773	0.07	1,830	0.16	1,056
Ordinary expenses	1,062,772	97.50	1,165,610	100.74	102,838
Underwriting expenses	903,026	82.85	896,833	77.51	-6,192
Net claims paid	508,454		508,958		504
Loss adjustment expenses	35,283		36,003		720
Commissions and brokerage	157,276		159,631		2,355
Maturity refunds for long-term insurance	109,114		104,793		-4,320
Dividends to policyholders	21		19		-1
Life insurance claims and other payments	10,231		12,802		2,570
Provision for underwriting reserves	78,458		68,084		-10,373
Other underwriting expenses	4,186		6,539		2,352
Investment expenses	7,404	0.68	109,513	9.47	102,109
Losses on trading securities	362		-		-362
Losses on sales of investments in securities	4,971		9,604		4,633
Losses on devaluation of investments in securities	1,625		12,512		10,886
Losses on redemption of securities	3		-		-3
Losses on derivatives	-		84,774		84,774
Other investment expenses	440		2,621		2,181
Operating and general administrative expenses	150,610	13.81	156,687	13.54	6,076
Other expenses	1,731	0.16	2,576	0.22	845
Interest expenses	5		49		43
Provision for allowance for doubtful accounts	-		185		185
Losses on bad debts	16		4		-11
Other expenses	1,709		2,337		627
Ordinary profit and loss	27,201	2.50	-8,618	-0.74	-35,819
Extraordinary gains	1,306	0.12	9,384	0.81	8,077
Gains on sales of fixed assets	795		1,362		567
Other extraordinary gains	510		8,021		7,510
Extraordinary losses	3,125	0.29	4,920	0.43	1,795
Losses on sales of fixed assets	1,409		1,948		538
Impairment losses	308		869		560
Provision for reserve under special laws	1,350		1,324		-25
Reserve for price fluctuations	1,350		1,324		-25
Advanced depreciation deduction of fixed assets	-		65		65
Other extraordinary losses	55		711		655
Income and loss before income taxes	25,382	2.33	-4,155	-0.36	-29,537
Current income taxes	12,367	1.13	206	0.02	-12,161
Deferred income taxes	-3,139	-0.29	-1,085	-0.10	2,053
Minority interests in net loss	33	0.00	103	0.01	69
Net income and loss	16,187	1.49	-3,172	-0.27	-19,359

Consolidated Statements of Changes in Net Assets

FY2006 (From April 1, 2006 to March 31, 2007)

(Millions of Yen)

	Shareholders' Equity					Valuation and Translation Adjustments			Minority Interests	Total Net Assets
	Share Capital	Capital Surplus	Retained Earnings	Treasury Stock	Total Shareholders' Equity	Unrealized Gains on Available-for-Sale Securities	Foreign Currency Translation Adjustments	Total Valuation and Translation Adjustments		
Balance (As of March 31, 2006)	100,005	44,081	187,665	-7,709	324,043	299,728	330	300,059	51	624,154
Changes during FY2006										
Dividend of Surplus*			-7,343		-7,343					-7,343
Net Income			16,187		16,187					16,187
Purchase of Treasury Stock				-135	-135					-135
Sale of Treasury Stock			-8	102	94					94
Net Changes in Items Other than Shareholders' Equity						-13,317	1,117	-12,200	-25	-12,226
Total Changes during FY2006	-	-	8,835	-33	8,802	-13,317	1,117	-12,200	-25	-3,423
Balance (As of March 31, 2007)	100,005	44,081	196,501	-7,742	332,845	286,410	1,448	287,859	26	620,731

* Appropriation of profit approved at the ordinary general meeting of shareholders held in June 2006.

FY2007 (From April 1, 2007 to March 31, 2008)

(Millions of Yen)

	Shareholders' Equity					Valuation and Translation Adjustments			Minority Interests	Total Net Assets
	Share Capital	Capital Surplus	Retained Earnings	Treasury Stock	Total Shareholders' Equity	Unrealized Gains on Available-for-Sale Securities	Foreign Currency Translation Adjustments	Total Valuation and Translation Adjustments		
Balance (As of March 31, 2007)	100,005	44,081	196,501	-7,742	332,845	286,410	1,448	287,859	26	620,731
Changes during FY2007										
Dividend of Surplus			-7,344		-7,344					-7,344
Net Loss			-3,172		-3,172					-3,172
Decrease due to increase in consolidated subsidiaries			-147		-147					-147
Purchase of Treasury Stock				-79	-79					-79
Sale of Treasury Stock		6		20	27					27
Net Changes in Items Other than Shareholders' Equity						-187,281	-521	-187,802	181	-187,621
Total Changes during FY2007	-	6	-10,664	-58	-10,716	-187,281	-521	-187,802	181	-198,338
Balance (As of March 31, 2008)	100,005	44,088	185,836	-7,800	322,128	99,129	927	100,056	207	422,392

Consolidated Statements of Cash Flows

(Millions of Yen)

Fiscal Year	FY2006 From April 1, 2006 to March 31, 2007	FY2007 From April 1, 2007 to March 31, 2008	Change
Item			
Operating activities			
Income and loss before income taxes	25,382	-4,155	-29,537
Depreciation and amortization	11,274	11,183	-91
Impairment losses	308	869	560
Reversal of outstanding claims	-7,327	-12,296	-4,969
Provision for underwriting reserves	78,458	68,084	-10,373
Provision for allowance for doubtful accounts	-1,981	92	2,074
Increase in liability for employees' retirement benefits	-423	605	1,028
Increase in liability for directors' retirement benefits	-	1,231	1,231
Increase in liability for bonuses	5	143	137
Increase in reserve for price fluctuation	1,350	1,324	-25
Interest and dividend income	-57,503	-89,297	-31,793
Net loss on investments in securities	-5,178	-26,951	-21,773
Interest expenses	5	49	43
Foreign exchange gains and losses	-208	1,453	1,661
Gains and losses related to tangible assets	742	651	-91
Gains and losses related to derivatives	-	84,774	84,774
Increase in other assets (Other than investing and financial activities)	5,222	-29,451	-34,673
Increase in other liabilities (Other than investing and financial activities)	-2,100	6,686	8,787
Others	3,025	1,404	-1,620
Subtotal	<u>51,051</u>	<u>16,400</u>	<u>-34,650</u>
Interest and dividends received	60,334	90,685	30,350
Interest paid	-5	-49	-43
Income taxes paid	<u>-5,805</u>	<u>-16,793</u>	<u>-10,988</u>
Net cash provided by operating activities	<u>105,575</u>	<u>90,243</u>	<u>-15,331</u>
Investing activities			
Net increase in bank deposits	-500	-2,329	-1,829
Purchase of debts	-9,619	-11,372	-1,752
Proceeds from sales or redemptions of debts purchased	7,315	4,141	-3,174
Purchase of money held in trust	-	-4,641	-4,641
Proceeds from decrease in money held in trust	1,666	7,300	5,633
Purchase of investments in securities	-833,419	-973,614	-140,194
Proceeds from sales or maturities of investments in securities	789,199	976,850	187,650
Loans made	-108,464	-88,238	20,225
Collection of loans	113,105	87,129	-25,976
Others	-77	-41,650	-41,573
Subtotal	<u>-40,794</u>	<u>-46,426</u>	<u>-5,632</u>
Purchase of tangible assets	-13,619	-8,760	4,858
Proceeds from sales of tangible assets	1,121	2,614	1,492
Others	<u>-1,113</u>	<u>382</u>	<u>1,495</u>
Net cash used in investing activities	<u>-54,405</u>	<u>-52,190</u>	<u>2,214</u>
Financial activities			
Proceeds from sales of treasury stock	94	27	-66
Purchase of treasury stock	-135	-79	56
Cash dividends	-7,343	-7,344	-1
Others	<u>-9</u>	<u>-217</u>	<u>-208</u>
Net cash used in financial activities	<u>-7,394</u>	<u>-7,614</u>	<u>-219</u>
Effect of exchange rate changes on cash and cash equivalents	643	-820	-1,464
Net increase and decrease in cash and cash equivalents	<u>44,418</u>	<u>29,618</u>	<u>-14,800</u>
Cash and cash equivalents, beginning of year	<u>52,521</u>	<u>96,940</u>	<u>44,418</u>
Net increase in cash and cash equivalents due to increase of consolidated subsidiaries	<u>-</u>	<u>1,282</u>	<u>1,282</u>
Cash and cash equivalents, end of year	<u>96,940</u>	<u>127,841</u>	<u>30,900</u>

Important Information for Consolidated Financial Statements

1. Scope of Consolidation

Number of consolidated subsidiaries: Six companies

Aioi Life Insurance Company, Limited
Aioi Insurance CS-Desk Company, Limited
Aioi Motor and General Insurance Company of Europe Limited
Aioi Insurance Management Limited
Toyota Insurance Management Limited
Aioi Life Insurance of Europe AG

Aioi Insurance CS-Desk Company, Limited is included in the consolidation from this period due to an increase in importance.

2. Additional Information of Liability for Retirement Benefits

The parent company transferred a portion of retirement benefit scheme to a defined contribution pension plan in September 2007 in accordance with an accounting standard for transfer between retirement benefit plans issued by the Accounting Standards Board of Japan on January 31, 2002. Other extraordinary gains amounted to 8,021 million yen due to this change.

Items other than the above and the below changes are omitted because there is no important change from the latest annual security report submitted on June 28, 2007.

Changes in Accounting Treatments for Consolidated Financial Statements

(Depreciation of tangible fixed assets)

Depreciation of tangible fixed assets acquired by the parent company and its domestic consolidated subsidiaries on and after April 1, 2007 is treated by a revised accounting method in accordance with Corporate Tax Law of Japan after tax reform in fiscal year 2007. There is almost no impact on gains and losses due to this change.

(Additional information)

Regarding tangible fixed assets acquired on and before March 31, 2007, the parent company and its domestic consolidated subsidiaries adopt a depreciation method based on Corporate Tax Law of Japan before tax reform in fiscal year 2007. As a result, the difference between a value equivalent to 5% of the acquisition cost of a tangible fixed asset and memorandum value of the asset is equally depreciated in five fiscal years, and is included in loss adjustment expenses and operating and general administrative expenses in the five fiscal years from the next fiscal year following the year when a depreciated value of the asset reaches 5% of the acquisition cost. There is almost no impact on gains and losses due to this change.

(Liability for directors' retirement benefits)

Liability for directors' retirement benefits is listed in balance sheets of the parent company and Aioi Life Insurance Company, Limited from this period due to a revised accounting method in accordance with Special Taxation Measures Law. The amount of liability for directors' retirement benefits for this period was 136 million yen and is included in operating and general administrative expenses. Meanwhile, the amount of liability for directors' retirement benefits for past years was 711 million yen and is included in extraordinary expenses. As a result, compared to the previous method, ordinary profit decreased by 224 million yen, and income before income taxes increased by 487 million yen. Liability for senior executive officers' and executive officers' retirement benefits was included in liability for employees' retirement benefits in the past but is included in liability for directors' retirement benefits from this period.

Changes in Items of Consolidated Statements of Cash Flows

Gains and losses related to derivatives are separately listed in consolidated statements of cash flows from this period due to an increase in their importance. Gains related to derivatives which were included as others in net cash provided by operating activities was a deduction of 164 million yen for fiscal year 2006.

Segment Information

1. Segment Information by Class of Business

FY2006 (From April 1, 2006 to March 31, 2007)

(Millions of Yen)

	Non-life Insurance	Life Insurance	Total	Elimination	Consolidated
Ordinary Income					
1. Sales to External Customers	1,016,402	73,878	1,090,281	-308	1,089,973
2. Inter-Segment Sales and Transfers	1,327	147	1,474	-1,474	-
Total	1,017,730	74,025	1,091,755	-1,782	1,089,973
Ordinary Expenses	990,058	74,496	1,064,554	-1,782	1,062,772
Ordinary Profit and Loss	27,671	-470	27,200	0	27,201
Assets	2,767,122	315,627	3,082,749	-72	3,082,676
Depreciation and Amortization	10,933	340	11,274	-	11,274
Impairment Losses	308	-	308	-	308
Capital Expenditure	15,093	319	15,413	-	15,413

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

(iii) The elimination of ordinary income from sales to external customers in fiscal year 2006 is mainly due to adjustment of duplicate data. Because provision for outstanding claims in ordinary expenses relating to life insurance segment is included in reversal of outstanding claims in ordinary income in the consolidated statements of income.

FY2007 (From April 1, 2007 to March 31, 2008)

(Millions of Yen)

	Non-life Insurance	Life Insurance	Total	Elimination	Consolidated
Ordinary Income					
1. Sales to External Customers	1,078,155	79,227	1,157,382	-390	1,156,992
2. Inter-Segment Sales and Transfers	1,207	152	1,360	-1,360	-
Total	1,079,363	79,379	1,158,742	-1,750	1,156,992
Ordinary Expenses	1,079,472	87,888	1,167,361	-1,750	1,165,610
Ordinary Loss	109	8,509	8,618	0	8,618
Assets	2,611,076	376,482	2,987,558	-324	2,987,234
Depreciation and Amortization	10,835	347	11,183	-	11,183
Impairment Losses	869	-	869	-	869
Capital Expenditure	13,009	323	13,333	-	13,333

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 investment activities

Life Insurance- Underwriting life insurance and investment activities

(iii) The elimination of ordinary income from sales to external customers in fiscal year 2007 is mainly due to adjustment of duplicate data. Because provision for outstanding claims in ordinary expenses relating to life insurance segment is included in reversal of outstanding claims in ordinary income in the consolidated statements of income.

(iv) Changes in accounting treatments

(Depreciation of tangible fixed assets)

As stated on page 7, depreciation of tangible fixed assets acquired by the parent company and its domestic consolidated companies on and after April 1, 2007 are treated by a revised accounting method in accordance with Corporate Tax Law of Japan after tax reform in fiscal year 2007. As a result, ordinary expenses and ordinary losses of non-life insurance segment increased by 139 million yen. Meanwhile, there is almost no impact on life insurance segment due to this change.

(Additional information)

As stated on page 7, regarding tangible fixed assets acquired on and before March 31, 2007, the parent company and its domestic consolidated subsidiaries adopt a depreciation method based on Corporate Tax Law of Japan before tax reform in fiscal year 2007. As a result, the difference between a value equivalent to 5% of the acquisition cost of a tangible fixed asset and memorandum value of the asset is equally depreciated in five fiscal years, and is reported as loss adjustment expenses and operating and general administrative expenses in the five fiscal years from the next fiscal year following the year when a depreciated value of the asset reaches 5% of the acquisition cost. Ordinary expenses and ordinary loss of non-life insurance segment increased by 271 million yen. Meanwhile, there is almost no impact on life insurance segment due to this change.

(Liability for directors' retirement benefits)

As stated on page 7, liability for directors' retirement benefits is listed in the balance sheets of the parent company and Aioi Life Insurance Company, Limited from this period due to a revised accounting method in accordance with Special Taxation Measures Law. As a result, ordinary losses of non-life insurance segment decreased by 189 million yen. Meanwhile, there is almost no impact on life insurance segment due to this change.

2. Segment Information by Location

FY2006 (From April 1, 2006 to March 31, 2007)

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

FY2007 (From April 1, 2007 to March 31, 2008)

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

3. Overseas Sales

FY2006 (From April 1, 2006 to March 31, 2007)

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

FY2007 (From April 1, 2007 to March 31, 2008)

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

Transaction with Related Parties

FY2006 (From April 1, 2006 to March 31, 2007)

None.

FY2007 (From April 1, 2007 to March 31, 2008)

None.

Income Taxes

FY2006 (As of March 31, 2007)	FY2007 (As of March 31, 2008)																																																		
<p>1. Breakdown of Deferred Tax Assets and Deferred Tax Liabilities</p> <p style="text-align: right;">(Millions of Yen)</p> <p>Deferred Tax Assets</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">Underwriting Reserves and Other</td> <td style="text-align: right;">107,910</td> </tr> <tr> <td>Outstanding Claims</td> <td style="text-align: right;">17,270</td> </tr> <tr> <td>Assets Contributed to Employees' Retirement Benefit Trusts</td> <td style="text-align: right;">10,098</td> </tr> <tr> <td>Depreciation</td> <td style="text-align: right;">9,576</td> </tr> <tr> <td>Liabilities for Employees' Retirement Benefits</td> <td style="text-align: right;">6,985</td> </tr> <tr> <td>Land and Buildings</td> <td style="text-align: right;">6,284</td> </tr> <tr> <td>Other</td> <td style="text-align: right;">10,915</td> </tr> <tr> <td>Subtotal</td> <td style="text-align: right; border-top: 1px solid black;">169,041</td> </tr> <tr> <td>Valuation Allowance</td> <td style="text-align: right;">-6,926</td> </tr> <tr> <td>Total</td> <td style="text-align: right; border-top: 1px solid black;">162,114</td> </tr> </table> <p>Deferred Tax Liabilities</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">Unrealized Gains on Available-for-Sale Securities</td> <td style="text-align: right;">-152,482</td> </tr> <tr> <td>Other</td> <td style="text-align: right;">-1,792</td> </tr> <tr> <td>Total</td> <td style="text-align: right; border-top: 1px solid black;">-154,274</td> </tr> </table> <p>Net Deferred Tax Assets 7,839</p>	Underwriting Reserves and Other	107,910	Outstanding Claims	17,270	Assets Contributed to Employees' Retirement Benefit Trusts	10,098	Depreciation	9,576	Liabilities for Employees' Retirement Benefits	6,985	Land and Buildings	6,284	Other	10,915	Subtotal	169,041	Valuation Allowance	-6,926	Total	162,114	Unrealized Gains on Available-for-Sale Securities	-152,482	Other	-1,792	Total	-154,274	<p>1. Breakdown of Deferred Tax Assets and Deferred Tax Liabilities</p> <p style="text-align: right;">(Millions of Yen)</p> <p>Deferred Tax Assets</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">Underwriting Reserves and Other</td> <td style="text-align: right;">113,648</td> </tr> <tr> <td>Investment in Securities</td> <td style="text-align: right;">11,667</td> </tr> <tr> <td>Outstanding Claims</td> <td style="text-align: right;">11,385</td> </tr> <tr> <td>Assets Contributed to Employees' Retirement Benefit Trusts</td> <td style="text-align: right;">10,495</td> </tr> <tr> <td>Depreciation</td> <td style="text-align: right;">9,166</td> </tr> <tr> <td>Other</td> <td style="text-align: right;">16,788</td> </tr> <tr> <td>Subtotal</td> <td style="text-align: right; border-top: 1px solid black;">173,152</td> </tr> <tr> <td>Valuation Allowance</td> <td style="text-align: right;">-7,326</td> </tr> <tr> <td>Total</td> <td style="text-align: right; border-top: 1px solid black;">165,825</td> </tr> </table> <p>Deferred Tax Liabilities</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">Unrealized Gains on Available-for-Sale Securities</td> <td style="text-align: right;">-49,051</td> </tr> <tr> <td>Other</td> <td style="text-align: right;">-2,114</td> </tr> <tr> <td>Total</td> <td style="text-align: right; border-top: 1px solid black;">-51,166</td> </tr> </table> <p>Net Deferred Tax Assets 114,659</p>	Underwriting Reserves and Other	113,648	Investment in Securities	11,667	Outstanding Claims	11,385	Assets Contributed to Employees' Retirement Benefit Trusts	10,495	Depreciation	9,166	Other	16,788	Subtotal	173,152	Valuation Allowance	-7,326	Total	165,825	Unrealized Gains on Available-for-Sale Securities	-49,051	Other	-2,114	Total	-51,166
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<p>2. Reconciliation between Statutory Tax Rates and Effective Income Tax Rates</p> <p>Reconciliation between statutory tax rate and effective income tax rate is not disclosed since difference between the rates is not material. The statutory tax rate is 36.09%.</p>	<p>2. Reconciliation between Statutory Tax Rates and Effective Income Tax Rates</p> <p>Reconciliation is not disclosed since loss before income taxes is reported for this period. The statutory tax rate is 36.10%.</p>																																																		

Investment in Securities

1. Trading Securities

(Millions of Yen)

	FY2006 (As of March 31, 2007)		FY2007 (As of March 31, 2008)	
	Consolidated Balance Sheet Amount	Valuation Difference Included in Profit and Loss	Consolidated Balance Sheet Amount	Valuation Difference Included in Profit and Loss
Trading Securities	13,568	37	5,025	-2

2. Marketable Bonds Held to Maturity

None.

3. Marketable Bonds Earmarked for Underwriting Reserve

(Millions of Yen)

Type		FY2006 (As of March 31, 2007)			FY2007 (As of March 31, 2008)		
		Consolidated Balance Sheet Amount	Fair Value	Difference	Consolidated Balance Sheet Amount	Fair Value	Difference
Fair Value Exceeds Consolidated Balance Sheet Amount	Bonds	155,459	160,169	4,709	233,467	242,667	9,200
	Foreign Securities	1,840	1,878	38	2,771	2,982	211
	Subtotal	157,299	162,047	4,747	236,238	245,649	9,411
Fair Value does not Exceed Consolidated Balance Sheet Amount	Bonds	87,700	84,774	-2,925	38,758	37,073	-1,685
	Foreign Securities	825	816	-8	200	199	-0
	Subtotal	88,525	85,591	-2,933	38,958	37,272	-1,685
Total		245,825	247,638	1,813	275,197	282,922	7,725

4. Marketable Securities Available for Sale

(Millions of Yen)

Type		FY2006 (As of March 31, 2007)			FY2007 (As of March 31, 2008)		
		Cost	Consolidated Balance Sheet Amount	Difference	Cost	Consolidated Balance Sheet Amount	Difference
Consolidated Balance Sheet Amount Exceeds Cost	Bonds	502,688	516,389	13,701	685,412	699,736	14,324
	Equity Securities	237,482	597,011	359,528	197,133	366,866	169,733
	Foreign Securities	372,243	427,876	55,632	66,331	72,764	6,432
	Other	98,415	120,753	22,337	35,760	36,554	794
	Subtotal	1,210,830	1,662,030	451,200	984,637	1,175,922	191,285
Consolidated Balance Sheet Amount does not Exceed Cost	Bonds	224,557	222,624	-1,932	97,582	95,585	-1,997
	Equity Securities	8,805	8,324	-480	42,297	38,620	-3,676
	Foreign Securities	42,342	41,970	-371	324,521	301,932	-22,588
	Other	21,515	21,252	-263	73,724	66,008	-7,716
	Subtotal	297,221	294,172	-3,048	538,125	502,146	-35,978
Total		1,508,051	1,956,203	448,151	1,522,762	1,678,068	155,306

Note: Other includes loan trust beneficiary right presented as monetary receivable bought in the consolidated balance sheet.

5. Bonds Held to Maturity which were Sold

None.

6. Bonds Earmarked for Underwriting Reserve which were Sold

(Millions of Yen)

	FY2006 From April 1, 2006 to March 31, 2007			FY2007 From April 1, 2007 to March 31, 2008		
	Sales Value	Gains on Sales	Losses on Sales	Sales Value	Gains on Sales	Losses on Sales
Total	-	-	-	802	13	0

7. Available-for-Sale Securities which were Sold

(Millions of Yen)

	FY2006 From April 1, 2006 to March 31, 2007			FY2007 From April 1, 2007 to March 31, 2008		
	Sales Value	Gains on Sales	Losses on Sales	Sales Value	Gains on Sales	Losses on Sales
Total	617,968	12,114	4,971	774,901	48,358	9,604

8. Details and Amounts Recorded in Consolidated Balance Sheet of Securities which are not Valued at Fair Value

(Millions of Yen)

FY2006 (As of March 31, 2007)		FY2007 (As of March 31, 2008)	
(1) Bonds Held to Maturity		(1) Bonds Held to Maturity	
Bonds	740	Bonds	348
(2) Available-for-Sale Securities		(2) Available-for-Sale Securities	
Equity Securities	17,645	Equity Securities	15,061
Foreign Securities	5,000	Other	6,637
Other	5,440	Total	21,698
Total	28,085		

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

9. Available-for-Sale Securities with Contractual Maturities Classified as Available-for-Sale, Held-to-Maturity, and Securities Earmarked for Underwriting Reserve

(Millions of Yen)

Type	FY2006 (As of March 31, 2007)				FY2007 (As of March 31, 2008)			
	Due in 1 Year or Less	Due after 1 Year through 5 Years	Due after 5 Years through 10 Years	Due after 10 Years	Due in 1 Year or Less	Due after 1 Year through 5 Years	Due after 5 Years through 10 Years	Due after 10 Years
Government Bonds	27,951	57,750	210,325	327,915	56,886	56,925	159,605	356,355
Municipal Bonds	1,898	4,172	6,152	13,019	1,097	8,185	21,245	36,695
Corporate Bonds	36,022	180,836	64,291	52,580	43,600	168,860	77,794	80,642
Foreign Securities	18,210	81,649	109,667	50,234	567	62,276	136,914	26,913
Other	864	21,988	14,862	18,275	4,181	7,488	15,866	26,117
Total	84,947	346,396	405,299	462,025	106,333	303,737	411,425	526,725

Note: Other includes loan trust beneficiary right presented as monetary receivable bought in the consolidated balance sheet.

10. Impairment Loss on Available-for-Sale Securities

FY2006 (As of March 31, 2007)	FY2007 (As of March 31, 2008)
The parent company recognized 1,625 million yen as impairment loss in the consolidated statements of income when fair value of available-for-sale securities declined by more than 30% compared to their cost.	The parent company and Aioi Life Insurance recognized 12,512 million yen as impairment loss in the consolidated statements of income when fair value of available-for-sale securities declined by more than 30% compared to their cost.

Money Held in Trust

1. Money Held in Trust for Trading Purposes

(Millions of Yen)

	FY2006 (As of March 31, 2007)		FY2007 (As of March 31, 2008)	
	Aggregated Cost	Gains Recognized	Aggregated Cost	Gains Recognized
Total	5,050	-	200	-

2. Money Held in Trust for Held-to-Maturity Purposes

None.

3. Money Held in Trust Other than the Above Purposes

(Millions of Yen)

	FY2006 (As of March 31, 2007)			FY2007 (As of March 31, 2008)		
	Cost	Consolidated Balance Sheet Amount	Difference	Cost	Consolidated Balance Sheet Amount	Difference
Total	-	-	-	2,191	2,022	-169

Derivative Transaction

Contract amounts in the below charts are nominal contract amounts or notional amounts for a purpose of calculation, and those amounts do not directly mean market risks and credit risks.

Contract Amount, Fair Value, and Unrealized Gains and Losses of Derivative Financial Instruments

(1) Currency-Related Transaction

(Millions of Yen)

Type	Transaction	FY2006 (As of March 31, 2007)				FY2007 (As of March 31, 2008)			
		Contract Amount		Fair Value	Unrealized Gains and Losses	Contract Amount		Fair Value	Unrealized Gains and Losses
			Due after 1 Year				Due after 1 Year		
Over-the-counter	Foreign Exchange Forward Buying								
	U.S.\$	53,668	-	52,791	-877	57,568	-	55,609	-1,959
	Euro	46	-	47	0	19,601	-	19,597	-4
Total		-	-	-	-876	-	-	-	-1,963

Note: Fair values of foreign exchange transactions are calculated based on the forward exchange rate as of the year-end date.

(2) Interest Rate-Related Transaction

(Millions of Yen)

Type	Transaction	FY2006 (As of March 31, 2007)				FY2007 (As of March 31, 2008)			
		Contract Amount		Fair Value	Unrealized Gains and Losses	Contract Amount		Fair Value	Unrealized Gains and Losses
			Due after 1 Year				Due after 1 Year		
Over-the-counter	Interest Rate Swaps								
	Fixed Rate Receipts and Floating Rate Payment	4,500	4,500	79	79	3,500	3,500	153	153
	Total		-	-	-	79	-	-	-

Note: Fair values are calculated based on prices indicated from financial institutions, which have business relationships with us.

(3) Equity-Related Transaction

(Millions of Yen)

Type	Transaction	FY2006 (As of March 31, 2007)				FY2007 (As of March 31, 2008)			
		Contract Amount		Fair Value	Unrealized Gains and Losses	Contract Amount		Fair Value	Unrealized Gains and Losses
			Due after 1 Year				Due after 1 Year		
Market	Stock Index Futures Selling	2,915	-	3,029	-113	-	-	-	-
	Buying	3,221	-	3,261	39	-	-	-	-
	Total		-	-	-	-73	-	-	-

Note: Regarding fiscal year 2006, fair values are based on the market quotations as of the year-end date.

(4) Other Transaction

(Millions of Yen)

Type	Transaction	FY2006 (As of March 31, 2007)				FY2007 (As of March 31, 2008)			
		Contract Amount		Fair Value	Unrealized Gains and Losses	Contract Amount		Fair Value	Unrealized Gains and Losses
			Due after 1 Year				Due after 1 Year		
Over-the-counter	Credit Derivatives								
	Selling	288,645	288,645	334	334	158,665	158,665	-43,490	-43,490
	Total		-	-	-	334	-	-	-

Note: Fair values are based on prices indicated from financial institutions, which have business relationships with us.

Employees' Retirement Benefits and Pension Plan

FY2006	FY2007																														
<p>1. Applied Retirement Benefit Plan The parent company has a defined benefit plan consisting of a corporate pension fund, an approved retirement annuity, and a lump sum severance payment, and set up an employee retirement benefit trust using the corporate pension fund and the lump sum severance payment. Aioi Life Insurance also has a lump sum severance payment as a defined benefit plan and a defined contribution pension plan. Aioi Life Insurance transferred a portion of the lump sum severance payment to the defined contribution pension plan. This transfer had no effect on income before income taxes for this period.</p>	<p>1. Applied Retirement Benefit Plan The parent company has a defined contribution plan and a defined benefit plan consisting of a corporate pension fund, an approved retirement annuity, and a lump sum severance payment, and set up an employee retirement benefit trust using the corporate pension fund and the lump sum severance payment. Aioi Life Insurance also has a lump sum severance payment as a defined benefit plan and a defined contribution pension plan. The parent company transferred a portion of a retirement benefit plan to a defined contribution pension plan in September 2007 in accordance with an accounting standard for transfer between retirement benefit plans issued by the Accounting Standards Board of Japan on January 31, 2002. Other extraordinary gains amounted to 8,021 million yen due to this change.</p>																														
<p>2. Retirement Benefit Obligation (As of March 31, 2007) (Millions of Yen)</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">Projected Benefit Obligation</td> <td style="text-align: right;">-148,734</td> </tr> <tr> <td>Fair Value of Plan Assets</td> <td style="text-align: right;">172,645</td> </tr> <tr> <td>Unreserved Benefit Obligation</td> <td style="text-align: right;">23,911</td> </tr> <tr> <td>Unrecognized Actuarial Difference</td> <td style="text-align: right;">-33,876</td> </tr> <tr> <td>Net Amount Stated on Consolidated Balance Sheets</td> <td style="text-align: right;">-9,964</td> </tr> <tr> <td>Prepaid Pension Cost</td> <td style="text-align: right;">9,391</td> </tr> <tr> <td>Net Liability for Employees' Retirement</td> <td style="text-align: right;">-19,355</td> </tr> </table> <p>Note: As for a part of the lump sum severance payment of the parent company and the lump sum severance payment of Aioi Life Insurance, projected benefit obligation is calculated by compendium method.</p>	Projected Benefit Obligation	-148,734	Fair Value of Plan Assets	172,645	Unreserved Benefit Obligation	23,911	Unrecognized Actuarial Difference	-33,876	Net Amount Stated on Consolidated Balance Sheets	-9,964	Prepaid Pension Cost	9,391	Net Liability for Employees' Retirement	-19,355	<p>2. Retirement Benefit Obligation (As of March 31, 2008) (Millions of Yen)</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">Projected Benefit Obligation</td> <td style="text-align: right;">-127,650</td> </tr> <tr> <td>Fair Value of Plan Assets</td> <td style="text-align: right;">140,475</td> </tr> <tr> <td>Unreserved Benefit Obligation</td> <td style="text-align: right;">12,825</td> </tr> <tr> <td>Unrecognized Actuarial Difference</td> <td style="text-align: right;">3,450</td> </tr> <tr> <td>Net Amount Stated on Consolidated Balance Sheets</td> <td style="text-align: right;">16,275</td> </tr> <tr> <td>Prepaid Pension Cost</td> <td style="text-align: right;">36,237</td> </tr> <tr> <td>Net Liability for Employees' Retirement</td> <td style="text-align: right;">-19,961</td> </tr> </table> <p>Note: As for a part of a severance lump-sum payment plan of the parent company and a severance lump-sum payment plan of Aioi insurance, projected benefit obligation is calculated by compendium method.</p>	Projected Benefit Obligation	-127,650	Fair Value of Plan Assets	140,475	Unreserved Benefit Obligation	12,825	Unrecognized Actuarial Difference	3,450	Net Amount Stated on Consolidated Balance Sheets	16,275	Prepaid Pension Cost	36,237	Net Liability for Employees' Retirement	-19,961		
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Other **	376																														
Total	-5,126																														
<p>4. Basis of Calculation for Retirement Benefit Obligation Method of Allocation of Estimated Retirement Benefit Expenses- Straight Line Method</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">Discount Rate</td> <td style="text-align: right;">2.0%</td> </tr> <tr> <td>Expected Rate of Return</td> <td></td> </tr> <tr> <td> Corporate Pension Fund and Approved Retirement Annuity</td> <td style="text-align: right;">2.0%</td> </tr> <tr> <td> Employee Retirement Benefit Trust</td> <td style="text-align: right;">0.0%</td> </tr> <tr> <td>Amortization Period of Prior Service Cost</td> <td style="text-align: right;">1 Year</td> </tr> </table> <p>(All expenses are accounted at the time of occurrence.) Amortization Period of Unrecognized Actuarial Difference 12 Years (Occurred expenses are accounted from the following fiscal year using the straight-line method over a standard number of years within the average remaining work period of employees.)</p>	Discount Rate	2.0%	Expected Rate of Return		Corporate Pension Fund and Approved Retirement Annuity	2.0%	Employee Retirement Benefit Trust	0.0%	Amortization Period of Prior Service Cost	1 Year	<p>4. Basis of Calculation for Retirement Benefit Obligation Same as left.</p>																				
Discount Rate	2.0%																														
Expected Rate of Return																															
Corporate Pension Fund and Approved Retirement Annuity	2.0%																														
Employee Retirement Benefit Trust	0.0%																														
Amortization Period of Prior Service Cost	1 Year																														

Per Share Information

(Yen)

FY2006 From April 1, 2006 to March 31, 2007		FY2007 From April 1, 2007 to March 31, 2008	
Net Assets per Share	845.07	Net Assets per Share	574.83
Basic Net Income per Share	22.04	Basic Net Loss per Share	4.31
Diluted Net Income per Share	22.03	Diluted net income per share is omitted since net loss per share is reported for this period.	

(Millions of Yen)

	FY2006 (As of March 31, 2007)	FY2007 (As of March 31, 2008)
Total Net Assets	620,731	422,392
Deduction Amount from Total Net Assets	26	207
(Minority Interests)	26	207
Net Assets Attributable to Common Shareholders	620,705	422,185
Common Stocks to Calculate Net Assets per Share (Shares)	734,499,441	734,449,253

(Millions of Yen)

	FY2006 From April 1, 2006 to March 31, 2007	FY2007 From April 1, 2007 to March 31, 2008
Basic Net Income and Loss per Share		
Net Income and Loss	16,187	-3,172
Net Income not Attributable to Common Shareholders	-	-
Net Income and Loss Attributable to Common Stocks	16,187	-3,172
Average Number of Shares Outstanding (Shares)	734,408,973	734,462,362
Diluted Net Income per Share		
Adjustment of Net Income		
Increased Number of Common Stocks (Shares)	153,706	-
(Share Warrant) (Shares)	153,706	-
Latent Shares not Included in the Calculation of Net Income per Share as They have no Diluting Effects	-	-

Important Post Balance Sheet Events

None.

Omission of Disclosure

Notes regarding lease transactions, stock options, and others are omitted due to low importance of disclosure for "Summary of Consolidated Financial Results for Fiscal Year 2007 Ended March 31, 2008".

Non-Consolidated Balance Sheets (Assets)

(Millions of Yen)

Item	FY2006		FY2007		Change
	(As of March 31, 2007)		(As of March 31, 2008)		
	Amount	Ratio	Amount	Ratio	
Assets		%		%	
Cash and Deposits	65,255	2.34	77,051	2.92	11,795
Cash	138		81		
Deposits	65,116		76,969		
Call loans	20,000	0.72	20,000	0.76	-
Receivable under resale agreements	22,173	0.80	29,736	1.13	7,562
Money held in trust	5,050	0.18	2,222	0.08	-2,827
Investment in securities	1,973,849	70.88	1,678,821	63.63	-295,027
Government bonds	442,139		420,363		
Municipal bonds	16,999		46,252		
Corporate bonds	245,980		266,490		
Equity securities	659,752		468,033		
Foreign securities	477,400		394,465		
Other securities	131,576		83,216		
Loans	341,043	12.24	340,228	12.89	-815
Policy loans	6,359		5,838		
Financial loans	334,684		334,390		
Tangible assets	154,840	5.56	150,335	5.70	-4,504
Land	65,315		63,716		
Buildings	77,178		74,117		
Construction in process	1,428		2,805		
Other tangible assets	10,918		9,695		
Intangible assets	5,830	0.21	4,716	0.18	-1,114
Software	4,833		3,725		
Other intangible assets	996		990		
Other assets	188,871	6.78	223,543	8.47	34,672
Premiums receivable	10,575		10,061		
Agency accounts receivable	23,635		19,613		
Foreign agency accounts receivable	1,926		1,892		
Co-insurance accounts receivable	2,123		2,312		
Reinsurance accounts receivable	42,536		42,843		
Foreign reinsurance accounts receivable	13,309		9,805		
Other receivables	12,061		21,583		
Accrued income	4,443		4,139		
Deposits and subscription rights	9,245		8,661		
Deposits for earthquake insurance	33,999		35,908		
Suspense payment	22,997		28,187		
Deposits for future trading	1,424		1,697		
Derivatives	756		153		
Prepaid pension expense	-		36,237		
Other assets	9,835		444		
Deferred tax assets	7,203	0.26	111,236	4.22	104,032
Customers' liabilities for acceptance and guarantees	3,000	0.11	3,000	0.11	-
Allowance for doubtful accounts	-2,219	-0.08	-2,295	-0.09	-76
Total assets	2,784,898	100.00	2,638,595	100.00	-146,302

Non-Consolidated Balance Sheets (Liabilities)

(Millions of Yen)

Fiscal Year Item	FY2006 (As of March 31, 2007)		FY2007 (As of March 31, 2008)		Change
	Amount	Ratio	Amount	Ratio	
Liabilities		%		%	
Underwriting funds	2,009,359	72.15	2,006,518	76.05	-2,840
Outstanding claims	327,873		314,673		
Underwriting reserves	1,681,485		1,691,845		
Other liabilities	114,292	4.10	155,250	5.88	40,958
Amounts due to other domestic insurance companies for co-insurance	1,239		1,227		
Amounts due to other domestic insurance companies for reinsurance	41,052		27,652		
Amounts due to other foreign insurance companies for reinsurance	10,415		7,446		
Borrowings	62		58		
Income taxes payable, etc.	10,930		1,990		
Deposit received	3,387		3,377		
Advance received	2,421		2,756		
Accrued expenses payable	14,603		26,448		
Suspense receipts	28,887		38,838		
Derivatives	1,293		45,454		
Liability for employees' retirement benefits	19,254	0.69	19,837	0.75	583
Liability for directors' retirement benefits	-	-	1,203	0.05	1,203
Liability for bonuses	4,314	0.16	4,429	0.17	115
Reserve under special law	5,997	0.22	7,249	0.27	1,252
Reserve for price fluctuation	5,997		7,249		
Acceptance and guarantees	3,000	0.11	3,000	0.11	-
Total liabilities	2,156,218	77.43	2,197,489	83.28	41,271

Non-Consolidated Balance Sheets (Net Assets)

(Millions of Yen)

Item	FY2006 (As of March 31, 2007)		FY2007 (As of March 31, 2008)		Change
	Amount	Ratio	Amount	Ratio	
		%		%	
Net assets		%		%	
Shareholders' equity					
Share Capital	100,005	3.59	100,005	3.79	-
Capital surplus					
Capital reserve	44,081		44,081		
Other share capital	-		6		
Total capital surplus	44,081	1.58	44,088	1.68	6
Retained earnings					
Earned reserves	31,058		32,526		
Other earned reserves	176,506		174,864		
Reserve for dividends	38,640		38,640		
Special reserve for insurance contract	25,070		25,070		
Reserve for advanced depreciation	3,165		3,271		
Reserve for special account for advanced depreciation	-		471		
Reserve for special depreciation	9		-		
Special reserve	76,985		84,985		
Earned surplus carried forward	32,636		22,427		
Total retained earnings	207,564	7.46	207,391	7.86	-173
Treasury stock	-7,742	-0.28	-7,800	-0.30	-58
Total shareholders' equity	343,908	12.35	343,683	13.03	-224
Valuation and transaction adjustments					
Unrealized gains on available-for-sale securities	284,772	10.22	97,422	3.69	-187,349
Total valuation and transaction adjustments	284,772	10.22	97,422	3.69	-187,349
Total net assets	628,680	22.57	441,106	16.72	-187,574
Total liabilities and net assets	2,784,898	100.00	2,638,595	100.00	-146,302

Non-Consolidated Statements of Income

(Millions of Yen)

Item	FY2006		FY2007		Change
	From April 1, 2006 to March 31, 2007		From April 1, 2007 to March 31, 2008		
	Amount	Ratio	Amount	Ratio	
Ordinary income	999,623	100.00	1,058,424	100.00	58,800
Underwriting income	955,681	95.61	947,315	89.50	-8,366
Net premiums written	851,238		851,849		610
Premiums for maturity of refundable portion of long-term insurance	65,710		59,802		-5,907
Investment income on premiums for maturity of refundable portion of long-term and other insurance	22,007		22,106		99
Reversal of outstanding claims	8,157		13,200		5,042
Foreign exchange gains	3,479		-		-3,479
Other underwriting income	5,088		357		-4,731
Investment income	42,124	4.21	109,035	10.30	66,911
Interest and dividend income	51,228		81,864		30,636
Gains on money held in trust	39		23		-15
Gains on trading securities	-		34		34
Gains on sales of investment in securities	12,055		48,277		36,221
Gains on redemption of securities	27		675		647
Gains on derivatives	164		-		-164
Foreign exchange gains	262		-		-262
Other investment income	354		267		-87
Transfer of investment income on premiums for maturity of refundable portion of long-term and other insurance	-22,007		-22,106		-99
Other ordinary income	1,817	0.18	2,073	0.20	256
Ordinary expenses	969,815	97.02	1,053,993	99.58	84,178
Underwriting expenses	821,043	82.13	798,590	75.45	-22,452
Net claims paid	496,539		495,081		-1,458
Loss adjustment expenses	34,937		34,992		54
Commissions and brokerage	145,741		147,020		1,278
Maturity refunds for long-term insurance	109,114		104,793		-4,320
Dividends to policyholders	21		19		-1
Provision for underwriting reserves	30,761		10,359		-20,402
Foreign exchange loss	-		5,494		5,494
Other underwriting expenses	3,927		829		-3,097
Investment expenses	7,092	0.71	109,021	10.30	101,929
Losses on trading securities	363		-		-363
Losses on sales of investments in securities	4,712		9,190		4,478
Losses on devaluation of investments in securities	1,625		12,496		10,870
Losses on redemption of securities	3		-		-3
Losses on derivatives	-		84,774		84,774
Foreign exchange loss	-		1,393		1,393
Other investment expenses	387		1,167		780
Operating and general administrative expenses	140,107	14.02	144,589	13.66	4,481
Other ordinary expenses	1,571	0.16	1,791	0.17	219
Interest expenses	2		2		-0
Provision for allowance for doubtful accounts	-		168		168
Losses on bad debts	10		4		-6
Other underwriting expenses	1,558		1,615		57
Ordinary profit	29,808	2.98	4,431	0.42	-25,377
Extraordinary gains	1,235	0.12	9,384	0.88	8,149
Gains on sales of fixed assets	795		1,362		567
Other extraordinary gains	439		8,021		7,581
Extraordinary losses	3,061	0.30	4,777	0.45	1,715
Losses on sales of fixed assets	1,407		1,941		533
Impairment losses	308		869		560
Provision for reserve under special laws	1,289		1,252		-37
Reserve for price fluctuations	1,289		1,252		-37
Advanced depreciation deduction of fixed assets	-		65		65
Other extraordinary losses	55		648		593
Income before income taxes	27,982	2.80	9,038	0.85	-18,944
Current income taxes	12,015	1.20	126	0.01	-11,888
Deferred income taxes	-2,906	-0.29	1,739	0.16	4,646
Net income	18,874	1.89	7,171	0.68	-11,702

Non-Consolidated Statements of Changes in Net Assets

FY2006 (From April 1, 2006 to March 31, 2007)

(Millions of Yen)

	Shareholders' Equity											Treasury Stock	Total Shareholders' Equity
	Capital Stock	Capital Surplus	Retained Earnings								Total Retained Earnings		
		Capital Reserve	Earned Reserves	Other Earned Reserves					Special Reserve	Earned Surplus Carried Forward			
				Reserve for Dividends	Special Reserve for Insurance	Reserve for Advanced Depreciation	Reserve for Special Depreciation	Special Reserve					
Balance (As of March 31, 2006)	100,005	44,081	29,558	38,640	25,070	2,834	117	67,985	31,837	196,042	-7,709	332,420	
Changes during FY2007													
Dividend of Surplus*									-7,343	-7,343		-7,343	
Provision of Earned Reserves*			1,500						-1,500				
Provision of Reserve for Advanced Depreciation*						61			-61				
Reversal of Reserve for Advanced Depreciation*						-40			40				
Reversal of Reserve for Special Depreciation*							-54		54				
Provision of Earned Reserves for FY2006						350			-350				
Reversal of Earned Reserves for FY2006						-39			39				
Reversal of Reserve for Special Depreciation for FY2006							-54		54				
Provision of Special Reserve*								9,000	-9,000				
Net Income									18,874	18,874		18,874	
Purchase of Treasury Stock											-135	-135	
Sale of Treasury Stock									-8	-8	102	94	
Net Changes in Items Other than Shareholders' Equity during FY2006													
Total Changes in the Period	-	-	1,500	-	-	331	-108	9,000	799	11,521	-33	11,488	
Balance (As of March 31, 2007)	100,005	44,081	31,058	38,640	25,070	3,165	9	76,985	32,636	207,564	-7,742	343,908	

(Millions of Yen)

	Valuation and Translation Adjustments	Total Net Assets
	Unrealized Gains on Available-for-Sale Securities	
Balance (As of March 31, 2006)	298,243	630,663
Changes during FY2007		
Dividend of Surplus*		-7,343
Provision of Earned Reserves*		-
Provision of Reserve for Advanced Depreciation*		-
Reversal of Reserve for Advanced Depreciation*		-
Reversal of Reserve for Special Depreciation*		-
Provision of Earned Reserves for FY2006		-
Reversal of Earned Reserves for FY2006		-
Reversal of Reserve for Special Depreciation for FY2006		-
Provision of Special Reserve*		-
Net Income		18,874
Purchase of Treasury Stock		-135
Sale of Treasury Stock		94
Net Changes in Items Other than Shareholders' Equity during FY2006	-13,471	-13,471
Total Changes in the Period	-13,471	-1,983
Balance (As of March 31, 2007)	284,772	628,680

*Appropriation of profits approved at the ordinary general meeting of shareholders in June 2006.

Non-Consolidated Statements of Changes in Net Assets

FY2007 (From April 1, 2007 to March 31, 2008)

(Millions of Yen)

	Shareholders' Equity									Valuation and Translation Adjustments	Total Net Assets
	Capital Stock	Capital Surplus			Retained Earnings			Treasury Stock	Total Shareholders' Equity	Unrealized Gains on Available-for-Sale Securities	
		Capital Reserve	Other Capital Surplus	Total Capital Surplus	Earned Reserves	Other Retained Earnings*	Total Retained Earnings				
Balance (As of March 31, 2007)	100,005	44,081	-	44,081	31,058	176,506	207,564	-7,742	343,908	284,772	628,680
Changes during FY2007											
Dividend of Surplus					1,468	-8,813	-7,344		-7,344		-7,344
Net Income						7,171	7,171		7,171		7,171
Purchase of Treasury Stock								-79	-79		-79
Sales of Treasury Stock			6	6				20	27		27
Net Changes in Items Other than Shareholders' Equity during FY2007										-187,349	-187,349
Total Changes in the Period	-	-	6	6	1,468	-1,642	-173	-58	-224	-187,349	-187,574
Balance (As of March 31, 2008)	100,005	44,081	6	44,088	32,526	174,864	207,391	-7,800	343,683	97,422	441,106

*Breakdown of Other Retained Earnings

(Millions of Yen)

	Reserve for Dividends	Special Reserve for Insurance	Reserve for Advanced Depreciation	Reserve for Special Account for Advanced Depreciation	Reserve for Special Depreciation	Special Reserve	Earned Surplus Carried Forward	Total
Balance (As of March 31, 2007)	38,640	25,070	3,165	-	9	76,985	32,636	176,506
Changes during FY2007								
Dividend of Surplus							-8,813	-8,813
Provision of Earned Reserves			146				-146	-
Reversal of Reserve for Advanced Depreciation			-40				40	-
Provision for Reserve for Special Account for Advanced Depreciation				471			-471	-
Reversal of Reserve for Special Depreciation					-9		9	-
Provision of Special Reserve						8,000	-8,000	-
Net Income							7,171	7,171
Total Changes in the Period	-	-	105	471	-9	8,000	-10,209	-1,642
Balance (As of March 31, 2008)	38,640	25,070	3,271	471	-	84,985	22,427	174,864

Summary of Consolidated Statements of Income

(Millions of Yen)

Fiscal Year Item	FY2006 From April 1, 2006 to March 31, 2007	FY2007 From April 1, 2007 to March 31, 2008	Change	Rate of Change
				%
Underwriting income	1,040,829	1,038,610	-2,218	-0.2
Net premiums written	868,907	871,589	2,681	0.3
Premiums for maturity of refundable portion of long-term insurance	65,710	59,802	-5,907	-9.0
Life insurance premiums	67,757	72,019	4,261	6.3
Reversal of outstanding claims	7,327	12,296	4,969	67.8
Underwriting expenses	903,026	896,833	-6,192	-0.7
Net claims paid	508,454	508,958	504	0.1
Loss adjustment expenses	35,283	36,003	720	2.0
Commissions and brokerage	157,276	159,631	2,355	1.5
Maturity refunds for long-term insurance	109,114	104,793	-4,320	-4.0
Life insurance claims and other payments	10,231	12,802	2,570	25.1
Provision for underwriting reserves	78,458	68,084	-10,373	-13.2
Investment income	48,369	116,551	68,181	141.0
Interest and dividend income	57,503	89,297	31,793	55.3
Gains on sales of investments in securities	12,114	48,372	36,258	299.3
Investment expenses	7,404	109,513	102,109	-
Losses on sales of investments in securities	4,971	9,604	4,633	93.2
Losses on devaluation of investments in securities	1,625	12,512	10,886	669.6
Losses on derivatives	-	84,774	84,774	-
Operating and general administrative expenses	150,610	156,687	6,076	4.0
Other ordinary gains and losses	-957	-746	210	-
Ordinary profit and loss	27,201	-8,618	-35,819	-131.7
Extraordinary gains	1,306	9,384	8,077	618.3
Extraordinary losses	3,125	4,920	1,795	57.5
Extraordinary gains and losses	-1,818	4,463	6,282	-
Income and loss before income taxes	25,382	-4,155	-29,537	-116.4
Current income taxes	12,367	206	-12,161	-98.3
Deferred income taxes	-3,139	-1,085	2,053	-
Minority interests in net loss	33	103	69	208.2
Net income and loss	16,187	-3,172	-19,359	-119.6

Consolidated Premiums and Claims by Class

Direct Premiums Written

(Millions of Yen)

Fiscal Year Class of Business	FY2006 From April 1, 2006 to March 31, 2007			FY2007 From April 1, 2007 to March 31, 2008		
	Amount	Change	Proportion	Amount	Change	Proportion
		%	%		%	%
Fire and Allied Lines	122,086	7.7	13.4	117,756	-3.5	13.1
Marine	5,407	3.5	0.6	5,551	2.7	0.6
Personal Accident	51,761	1.0	5.7	50,606	-2.2	5.6
Voluntary Automobile	485,354	2.1	53.3	485,936	0.1	54.2
Compulsory Automobile Liability	170,407	0.4	18.7	157,532	-7.6	17.6
Other	75,168	8.6	8.3	79,402	5.6	8.9
Total	910,185	2.9	100.0	896,786	-1.5	100.0
(Including premiums for maturity of refundable portion of long-term insurance)	975,895	1.9		956,588	-2.0	

Net Premiums Written

(Millions of Yen)

Fiscal Year Class of Business	FY2006 From April 1, 2006 to March 31, 2007			FY2007 From April 1, 2007 to March 31, 2008		
	Amount	Change	Proportion	Amount	Change	Proportion
		%	%		%	%
Fire and Allied Lines	103,373	7.8	11.9	100,423	-2.9	11.5
Marine	6,513	14.9	0.7	6,459	-0.8	0.7
Personal Accident	49,242	-0.3	5.7	47,893	-2.7	5.5
Voluntary Automobile	486,596	2.2	56.0	488,852	0.5	56.1
Compulsory Automobile Liability	149,749	-0.9	17.2	149,545	-0.1	17.2
Other	73,432	6.8	8.5	78,413	6.8	9.0
Total	868,907	2.6	100.0	871,589	0.3	100.0

Net Claims Paid

(Millions of Yen)

Fiscal Year Class of Business	FY2006 From April 1, 2006 to March 31, 2007			FY2007 From April 1, 2007 to March 31, 2008		
	Amount	Change	Proportion	Amount	Change	Proportion
		%	%		%	%
Fire and Allied Lines	43,938	4.0	8.6	36,171	-17.7	7.1
Marine	2,741	-13.7	0.5	3,632	32.5	0.7
Personal Accident	18,555	8.8	3.7	20,395	9.9	4.0
Voluntary Automobile	280,946	3.2	55.3	290,622	3.4	57.1
Compulsory Automobile Liability	100,044	2.6	19.7	100,168	0.1	19.7
Other	62,228	-6.6	12.2	57,968	-6.8	11.4
Total	508,454	1.9	100.0	508,958	0.1	100.0

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

Consolidated Risk Management Loans

(Millions of Yen)

	FY2006	FY2007	Change
Loans to Borrowers in Legal Bankruptcy	338	477	139
Loans in Default	8,747	3,055	-5,692
Loans in Default for 3 Months or More	265	586	320
Restructured Loans	248	230	-18
Total of Risk Management Loans (a)	9,599	4,349	-5,250
Loans (b)	348,745	349,852	1,107
Ratio against the Loans (a)/(b) x 100 (%)	2.8	1.2	-1.6

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)

Fiscal Year	FY2006 From April 1, 2006 to March 31, 2007	FY2007 From April 1, 2007 to March 31, 2008	Change	Rate of Change
Item				%
Direct net premium including premiums for maturity of refundable portion of long-term insurance	953,958	931,595	-22,363	-2.3
Direct net premium	888,248	871,793	-16,455	-1.9
Underwriting income	955,681	947,315	-8,366	-0.9
Net premiums written	851,238	851,849	610	0.1
Premiums for maturity of refundable portion of long-term insurance	65,710	59,802	-5,907	-9.0
Reversal of outstanding claims	8,157	13,200	5,042	61.8
Underwriting expenses	821,043	798,590	-22,452	-2.7
Net claims paid	496,539	495,081	-1,458	-0.3
Loss adjustment expenses	34,937	34,992	54	0.2
Commissions and brokerage	145,741	147,020	1,278	0.9
Maturity refunds and dividends to policyholders for long-term insurance	109,114	104,793	-4,320	-4.0
Provision for underwriting reserves	30,761	10,359	-20,402	-66.3
Investment income	42,124	109,035	66,911	158.8
Interest and dividend income	51,228	81,864	30,636	59.8
Gains on sales of investments in securities	12,055	48,277	36,221	300.5
Investment expenses	7,092	109,021	101,929	-
Losses on sales of investments in securities	4,712	9,190	4,478	95.0
Losses on devaluation of investments in securities	1,625	12,496	10,870	668.6
Losses on derivatives	-	84,774	84,774	-
Operating and general administrative expenses	140,107	144,589	4,481	3.2
Operating and general administrative expenses for underwriting	132,313	136,431	4,118	3.1
Other ordinary gains and losses	246	282	36	14.8
Ordinary profit	29,808	4,431	-25,377	-85.1
Underwriting profit	1,026	10,286	9,260	902.4
Extraordinary gains	1,235	9,384	8,149	659.7
Extraordinary losses	3,061	4,777	1,715	56.0
Extraordinary gains and losses	-1,826	4,606	6,433	-
Income before income taxes	27,982	9,038	-18,944	-67.7
Current income taxes	12,015	126	-11,888	-98.9
Deferred income taxes	-2,906	1,739	4,646	-
Net income	18,874	7,171	-11,702	-62.0
Loss ratio (%)	62.4	62.2	/	/
Expense ratio (%)	32.7	33.3	/	/
Yield on invested assets (%)	2.50	3.78	/	/
Asset management yield (%)	2.69	1.02	/	/

Note: Market-value total return: 1.39% (FY2006) -10.37% (FY2007)

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

*Other revenue and spending is income taxes related to compulsory automobile liability insurance.

Non-Consolidated Premiums and Claims by Class

Direct Premiums Written

(Millions of Yen)

Fiscal Year Class of Business	FY2006 From April 1, 2006 to March 31, 2007			FY2007 From April 1, 2007 to March 31, 2008		
	Amount	Change	Proportion	Amount	Change	Proportion
		%	%		%	%
Fire and Allied Lines	120,578	7.0	13.6	117,476	-2.6	13.5
Marine	5,396	6.1	0.6	5,551	2.9	0.6
Personal Accident	51,742	1.0	5.8	50,583	-2.2	5.8
Voluntary Automobile	468,199	1.5	52.7	466,731	-0.3	53.5
Compulsory Automobile Liability	170,407	0.4	19.2	157,532	-7.6	18.1
Other	71,924	4.8	8.1	73,916	2.8	8.5
Total	888,248	2.3	100.0	871,793	-1.9	100.0
(Including premiums for maturity of refundable portion of long-term insurance)	953,958	1.3		931,595	-2.3	

Net Premiums Written

(Millions of Yen)

Fiscal Year Class of Business	FY2006 From April 1, 2006 to March 31, 2007			FY2007 From April 1, 2007 to March 31, 2008		
	Amount	Change	Proportion	Amount	Change	Proportion
		%	%		%	%
Fire and Allied Lines	102,072	7.2	12.0	100,326	-1.7	11.8
Marine	6,482	14.5	0.8	6,435	-0.7	0.8
Personal Accident	49,232	-0.1	5.8	47,882	-2.7	5.6
Voluntary Automobile	472,090	1.7	55.4	472,766	0.1	55.5
Compulsory Automobile Liability	149,749	-0.9	17.6	149,545	-0.1	17.5
Other	71,611	4.3	8.4	74,891	4.6	8.8
Total	851,238	2.0	100.0	851,849	0.1	100.0

Net Claims Paid

(Millions of Yen)

Fiscal Year Class of Business	FY2006 From April 1, 2006 to March 31, 2007			FY2007 From April 1, 2007 to March 31, 2008		
	Amount	Change	Loss Ratio	Amount	Change	Loss Ratio
		%	%		%	%
Fire and Allied Lines	43,510	5.3	44.2	35,823	-17.7	37.3
Marine	2,719	-12.8	43.7	3,610	32.8	57.7
Personal Accident	18,523	10.9	41.0	20,390	10.1	45.7
Voluntary Automobile	269,882	2.3	61.6	277,946	3.0	63.3
Compulsory Automobile Liability	100,044	2.6	72.0	100,168	0.1	72.3
Other	61,858	-5.9	90.2	57,141	-7.6	80.0
Total	496,539	1.7	62.4	495,081	-0.3	62.2

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

Non-Consolidated Solvency Margin Ratio

(Millions of Yen)

	FY2006 (As of March 31, 2007)	FY2007 (As of March 31, 2008)
Total Amount* (A)	1,102,699	841,780
Capital Stock, Funds, and Other*	336,563	336,339
Price Fluctuation Reserve	5,997	7,249
Contingency Fund	-	517
CAT Reserve including Earthquake Insurance	275,354	282,396
Allowance for Bad Debt	216	343
90% of Net Unrealized Gain on Available-for-Sale Securities	401,024	137,215
85% of Unrealized Gain and Loss on Land	1,376	6,158
Deductions	12,530	24,280
Other	94,695	95,841
Total Risk (B)		
$\sqrt{(R_1 + R_2)^2 + (R_3 + R_4)^2} + R_5 + R_6$	214,026	195,159
General Insurance Risk (R ₁)	46,797	45,935
Third Sector Insurance Risk (R ₂)	-	-
Projected Interest Risk (R ₃)	1,383	2,446
Asset Management Risk (R ₄)	121,214	93,869
Business Management Risk (R ₅)	4,945	4,523
Catastrophe Risk (R ₆)	77,855	83,927
Solvency Margin Ratio (C)		
$[(A)/\{(B) \times 1/2\}] \times 100$ (%)	1,030.4	862.6

* This item is the amount of total net assets excluding estimated amount of distributed income, deferred assets, and valuation and translation adjustments.

Note: 1. 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.

2. Calculation method of solvency margin ratio has changed from this period due to amendments of the ordinance, so figures for this period are calculated by a different method .

<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 75.8 billion yen equivalent, and the notional amount of credit derivatives was 158.6 billion yen equivalent as of March 31, 2008.

ABS-CDOs in credit derivative transactions partially contain subprime related loans. Meanwhile, marketable securities do not contain any subprime related loans. Please refer to page 30 for the details of current conditions of subprime related investments.

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

(100 Millions of Yen)

	Booked Amount	Fair Value	Unrealized Profit and Loss
Total Amount of Securitized Products	758	742	-16

(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
Total Amount	3	8	5
ABCP	-	-	-
Bond Issued by SIV*	3	8	5
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). 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 4.2 years.

(2) Collateralized Debt Obligation

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

(100 Millions of Yen)

	Booked Amount	Fair Value	Unrealized Profit and Loss
Total Amount	50	41	-8
CLO*	50	41	-8
Other	-	-	-

* We hold overseas equities.

(3) Other Securitized Product

Other marketable securities are as follows. Subprime related exposure and Alt-A exposure not included.

(100 Millions of Yen)

	Booked Amount	Fair Value	Unrealized Profit and Loss
Total Amount	704	691	-13
CMBS	73	72	-0
RMBS	415	419	4
ABS and Other	215	198	-16

Overseas exposure in the above chart are as follows.

(100 Millions of Yen)

	Booked Amount	Fair Value	Unrealized Profit and Loss
Total Amount	121	105	-16
CMBS	-	-	-
RMBS	-	-	-
ABS and Other	121	105	-16

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

We hold ABS-CDOs, Corporate CDOs, and CDSs (Credit Derivative Swaps). These ABS-CDOs contain subprime related exposure and Alt-A exposure, but Corporate CDOs and CDSs do not contain those exposures. We trade exchange hedges but do not trade any other hedges.

(100 Millions of Yen)

	Notional Amount	Evaluation Profit and Loss	Outstanding Exposure
Total Amount	1,586	-434	1,151
ABS-CDO*	536	-409	127
Corporate CDO**	760	-22	737
CDS	290	-3	286

Overseas exposure in the above chart are as follows.

	Notional Amount	Evaluation Profit and Loss	Outstanding Exposure
Total Amount	846	-410	436
ABS-CDO	536	-409	127
Corporate CDO	310	-1	308
CDS	-	-	-

* ABS-CDOs, which partially contain subprime related exposure, keep AAA ratings 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 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

We do not implement leveraged finance deals and do not underwrite reinsurances of financial guarantee insurances and monoline insurers. The consolidated subsidiaries do not hold securitized products.

Note: Page 28 and 29 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.

Current Conditions of Subprime Related Investments

1. Current Conditions of Subprime Related Exposure

We have been decreasing the total amount of subprime related investments. As a result, the notional amount of ABS-CDOs, which partially contain subprime loans, has greatly decreased to 53.6 billion yen equivalent as of March 31, 2008. In addition, we sold the full amount of SIV bonds, which also partially contain subprime loans, in January 2008.

2. Current Conditions of Evaluation Loss and Actual Loss

We booked 40.9 billion yen equivalent as evaluation loss of ABS-CDOs and 42.6 billion yen equivalent as actual loss that lead to the total loss of 83.6 billion yen equivalent as of March 31, 2008.

(Billions of Yen)

	As of Sep. 30, 2007		As of Dec. 31, 2007		As of Mar. 31, 2008	
	Notional Amount/ Contract Amount	Evaluation Loss	Notional Amount/ Contract Amount	Evaluation Loss	Notional Amount/ Contract Amount	Evaluation Loss
ABS-CDO	111.4	25.2	106.2	60.0	53.6	40.9
SIV Bond	4.0	-	4.0	3.0	-	-
Total	115.4	25.2	110.2	63.0	53.6	40.9

Actual Loss	-	4.4	42.6
Total	25.2	67.5	83.6

As stated above, the amount of subprime related investments decreased by almost half, and about 75 percent of the amount was booked as evaluation loss. Thus, risk of subprime related investments greatly decreased.

3. Countermeasures for Investment Management

We implement the following management measures for investment activities in accordance with internal reviews on subprime issues.

- Business management

Active involvement of board of directors in investment activities and review of reporting rule to directors

- Investment risk management

Enhancement of risk management and mutual monitoring management by reviewing organizations and authorities in departments of investment activities

In addition, new special risk management function is established separately from investment departments.

Furthermore, all directors voluntarily proposed two-month reduction of their each monthly remuneration whose range varies between 10 and 50 percent depending on directors' positions under the consideration of management concerns in relation to losses caused by subprime related investments. All auditors also voluntarily proposed in the same way.

AIOI INSURANCE COMPANY, LIMITED

References of Non-Consolidated Financial Results for Fiscal Year 2007 Ended March 31, 2008

1. Direct Premiums and Claims 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. Investment in Securities

1. Direct Premiums and Claims by Class

(1) Direct Premiums Written by Class of Business

(Millions of Yen)

	FY2006		FY2007	
		Change (%)		Change (%)
Fire and Allied Lines	120,578	7.0	117,476	-2.6
Marine	5,396	6.1	5,551	2.9
Personal Accident	51,742	1.0	50,583	-2.2
Voluntary Automobile	468,199	1.5	466,731	-0.3
Compulsory Automobile Liability	170,407	0.4	157,532	-7.6
Other	71,924	4.8	73,916	2.8
Total	888,248	2.3	871,793	-1.9

(2) Net Premiums Written by Class of Business

(Millions of Yen)

	FY2006		FY2007	
		Change (%)		Change (%)
Fire and Allied Lines	102,072	7.2	100,326	-1.7
Marine	6,482	14.5	6,435	-0.7
Personal Accident	49,232	-0.1	47,882	-2.7
Voluntary Automobile	472,090	1.7	472,766	0.1
Compulsory Automobile Liability	149,749	-0.9	149,545	-0.1
Other	71,611	4.3	74,891	4.6
Total	851,238	2.0	851,849	0.1

(3) Net Claims Paid by Class of Business

(Millions of Yen)

	FY2006			FY2007		
		Loss Ratio* (%)	Change (%)		Loss Ratio* (%)	Change (%)
Fire and Allied Lines	43,510	44.2	-0.8	35,823	37.3	-6.9
Marine	2,719	43.7	-12.9	3,610	57.7	14.0
Personal Accident	18,523	41.0	3.9	20,390	45.7	4.7
Voluntary Automobile	269,882	61.6	0.3	277,946	63.3	1.7
Compulsory Automobile Liability	100,044	72.0	2.1	100,168	72.3	0.3
Other	61,858	90.2	-9.4	57,141	80.0	-10.2
Total	496,539	62.4	-0.3	495,081	62.2	-0.2

* Loss ratio = (Net claims 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)

	FY2006		FY2007	
		Change (%)		Change (%)
Fire and Allied Lines	9,690	9.3	9,509	-1.9
Marine	2,341	28.4	2,364	1.0
Personal Accident	821	-13.2	740	-9.8
Voluntary Automobile	9,616	15.0	11,543	20.0
Compulsory Automobile Liability	110,105	-1.5	110,569	0.4
Other	9,269	-11.0	8,384	-9.5
Total	141,844	-0.2	143,112	0.9

(2) Net Inwards Reinsurance Claims by Class of Business

(Millions of Yen)

	FY2006			FY2007		
		Loss Ratio* (%)	Change (%)		Loss Ratio* (%)	Change (%)
Fire and Allied Lines	6,451	66.6	-63.1	4,781	50.3	-16.3
Marine	1,416	60.5	-43.6	2,210	93.5	33.0
Personal Accident	333	40.6	8.0	322	43.6	3.0
Voluntary Automobile	6,088	63.3	-1.5	7,973	69.1	5.8
Compulsory Automobile Liability	100,044	90.9	3.7	100,168	90.6	-0.3
Other	23,055	248.7	-58.8	17,543	209.2	-39.5
Total	137,388	96.9	-7.6	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)

	FY2006			FY2007			
	Amount	Change (%)	Expense Ratio (%)	Amount	Change (%)	Expense Ratio (%)	
Loss Adjustment Expenses and Operating and General Administrative Expenses	Labor Cost	89,188	-3.9	10.5	89,197	0.0	10.5
	Non-Personal Expenses	76,096	1.3	8.9	80,885	6.3	9.5
	Tax and Other	9,760	-1.8	1.1	9,498	-2.7	1.1
	Subtotal	175,045	-1.6	20.6	179,581	2.6	21.1
Operating and General Administrative Expenses for Underwriting	132,313	-2.0	15.5	136,431	3.1	16.0	
Commissions and Brokerage	145,741	3.5	17.1	147,020	0.9	17.3	
Net Operating Expenses	278,054	0.8	32.7	283,451	1.9	33.3	

4. Catastrophe Reserves

(Millions of Yen)

	FY2006		FY2007		
	Amount	Reserve Rate* (%)	Amount	Reserve Rate* (%)	Change
Fire	82,056	81.8	89,902	91.3	7,846
Marine	3,960	61.1	4,215	65.5	255
Personal Accident	31,379	63.7	32,861	68.6	1,482
Motor	98,348	20.8	91,099	19.3	-7,248
Other	21,520	30.1	24,302	32.5	2,781
Total	237,265	33.9	242,382	34.6	5,117

*Reserve rate = Balance of catastrophe reserve/ Net premiums written (excl. dwelling EQ / CALI) × 100

5. Total Assets and Managed Assets

(Millions of Yen)

	FY2006	FY2007	Change
Cash and Deposits	65,255	77,051	11,795
Call Loans	20,000	20,000	-
Monetary Receivables Bought	22,173	29,736	7,562
Money Held in Trust	5,050	2,222	-2,827
Investment in Securities	1,973,849	1,678,821	-295,027
Bonds	705,119	733,105	27,986
Equity Securities	659,752	468,033	-191,718
Foreign Securities	477,400	394,465	-82,935
Other Securities	131,576	83,216	-48,360
Loans	341,043	340,228	-815
Tangible Fixed Assets	154,840	150,335	-4,504
Intangible Fixed Assets	5,830	4,716	-1,114
Other Assets	188,871	223,543	34,672
Deferred Tax Assets	7,203	111,236	104,032
Customers' Liabilities for Acceptances and Guarantees	3,000	3,000	-
Allowance for Doubtful Accounts	-2,219	-2,295	-76
Total Assets	2,784,898	2,638,595	-146,302
Managed Assets	2,569,727	2,285,812	-283,915
(Reference)			
Long-Lived Assets	604,931	573,258	-31,673

6. Investment Income and Expense

(Millions of Yen)

	FY2006	FY2007	Change
Interest and Dividend Income	51,228	81,864	30,636
Gains and Losses on Sales of Investments in Securities	7,343	39,086	31,743
Losses on Devaluation of Investments in Securities	-1,625	-12,496	-10,870
Gains and Losses on Derivatives*	164	-84,774	-84,938
Other Investment Gains and Losses	-70	-1,560	-1,490
Investment Income on Premiums for Maturity of Refundable Portion of Long-Term and Other Insurance	-22,007	-22,106	-99
Investment Income and Losses	35,031	13	-35,018

* Evaluation profits and losses of derivative transaction at the end of the period are included.

(References) Investment and Dividend Income

(Millions of Yen)

	FY2006	FY2007	Change
Investment in Securities	38,746	68,671	29,925
Bonds	9,892	11,204	1,312
Equity Securities	7,362	8,858	1,496
Foreign Securities	15,698	35,771	20,073
Other Securities	5,794	12,837	7,043
Loans	6,339	6,735	396
Land and Buildings	5,113	5,121	8
Others	1,028	1,335	306
Total	51,228	81,864	30,636

7. Investment in Securities

(1) Unrealized profit and loss on securities

(Millions of Yen)

FY2007	Cost	Fair Value	Unrealized Gains and Losses	Change
Bonds	722,111	732,757	10,645	-768
Equity Securities	238,707	403,880	165,173	-192,277
Foreign Securities	386,710	370,579	-16,131	-71,369
Others	108,395	101,339	-7,056	-28,536
Total	1,455,924	1,608,556	152,631	-292,951

(Millions of Yen)

FY2006	Cost	Fair Value	Unrealized Gains and Losses
Bonds	692,964	704,379	11,414
Equity Securities	245,564	603,015	357,450
Foreign Securities	397,732	452,970	55,237
Others	118,797	140,277	21,479
Total	1,455,059	1,900,642	445,582

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

(2) Gain and loss on sales of securities

(Millions of Yen)

	FY2006	FY2007	Change
Bonds	-657	5,587	6,244
Equity Securities	7,766	9,833	2,066
Foreign Securities	107	15,576	15,468
Others	126	8,089	7,963
Total	7,343	39,086	31,743

(3) Loss on devaluation of securities by impairment

(Millions of Yen)

	FY2006	FY2007	Change
Bonds	-	-	-
Equity Securities	1,561	8,463	6,901
Foreign Securities	64	3,421	3,357
Others	-	611	611
Total	1,625	12,496	10,870