

FY2004 Interim Earnings Data

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1. FY2004 Interim Earnings Summary

(Unit: Yen bn)

	30 Sep 2003	30 Sep 2004	Change	YoY %	Key Points
1. Net Premiums	419.2	416.3	2.8	0.7	Movement in amount comprises: Domestic direct(fac) -¥2.5bn (of which motor -¥5.4bn)
2. Net Claims Paid	222.3	230.4	8.0	3.6	Movement in amount comprises: Abolition of CALI reinsurance scheme +¥11.8bn Major natural disasters +¥6.3bn, Overseas net premiums -¥9.1bn(of which FR -¥1bn)
3. Loss Adjusting Expenses	18.7	17.8	0.9	5.0	
4. Net Operating Expenses	138.0	134.2	3.8	2.8	Overall reduction, including personnel/general expenses/commissions
Operating Balance	40.1	33.8	6.2	15.5	
5. Increase in Reserve	11.6	13.4	25.0		Of the increase this term: Major natural disasters +¥14.7bn
6. Foreign exchange gain (loss)	6.5	4.3	10.8		Yen depreciation from the close of FY03 resulted in an exchange gains offset by increase in o/s claims reserves
7. Increase in CALI Reserve	27.3	16.4	10.9		Fire reserve at 30 Sep 2004: ¥67.8bn (82.6% of premiums)
8. Increase in CAT Reserve	13.5	13.4	0.1		Motor reserve at 30 Sep 2004: ¥93.3bn (20.2% of premiums)
Underwriting Profit	13.2	9.2	22.5	170.1	
Profit/loss on assets under management	14.0	19.2	5.1		
(of which interest/dividend income)	(19.1)	(21.5)	(2.4)	12.7	
(of which gain on sale of securities)	(3.5)	(9.9)	(6.4)		Profit from sales of shares ¥8.2bn(¥1.7 on 30 Sep 2003)
(of which valuation loss on securities)	(1.1)	(1.3)	(0.2)		
Ordinary Profit	23.0	7.2	15.8	68.7	
Extraordinary Profit	0.7	9.4	8.7		This 1st HY Partial receipt of settlement from FR-related litigation ¥8.5bn Reversal of reserves for credit losses ¥0.6bn Reversal of reserves for credit losses ¥0.5bn
Extraordinary Loss	2.3	9.5	7.1		Previous 1st HY Impairment losses ¥8.4bn Provision for reserve for price fluctuation ¥0.5bn Loss on valuation of real estate ¥1.3bn Provision for reserve for price fluctuation ¥0.6bn
Net Profit	9.0	5.1	3.9	43.4	

(Ratios)

Net Premium Increase Ratio	0.6%	0.7%	1.3%
Net Loss Ratio	57.5%	59.6%	2.1%
Net Expense Ratio	32.9%	32.2%	0.7%
Combined Ratio	90.4%	91.9%	1.5%
Balance of income/expenditure	9.6%	8.1%	1.5%

Financial position

	30 Sep 2003	30 Sep 2004
Total assets	2,569.9	2,564.4
Net worth	375.4	414.1
CAT reserves	198.0	207.6
Solvency margin	798.8%	892.3%

(Unit: Yen bn)

FY2003
2,597.8
446.8
194.2
910.1%

(Ratios excluding Special Factors)

Net Premium Increase Ratio	2.1%	0.5%	1.6%
Net Loss Ratio	57.3%	56.6%	0.7%
Net Expense Ratio	36.0%	35.3%	0.7%
Combined Ratio	93.3%	91.8%	1.5%
Balance of income/expenditure	6.7%	8.2%	1.5%

Major natural disasters(30 Sep 2004)

	Direct	Net	(Unit: Yen bn)	
			Claims paid	Outstanding loss reserve
Fire and Others	26.3	16.9	3.8	13.1
Motor	4.4	4.1	2.5	1.6
Total	30.7	21.1	6.3	14.7

2. Premiums & Claims by Class

•Direct Net Premiums by Class

(Units: Yen million, %)

	30 Sep 2003		30 Sep 2004		FY2003		FY2004 Forecast	
		Change %		Change %		Change %		Change %
Fire	45,523	1.7	46,642	2.5	96,824	4.3	100,400	3.7
Marine	2,615	4.7	2,556	2.2	5,039	1.0	5,100	1.2
P.A.	25,518	2.7	26,276	3.0	49,619	0.9	50,800	2.4
Motor	235,220	1.8	230,074	2.2	464,177	2.7	458,500	1.2
CALI	86,873	7.2	87,516	0.7	174,213	2.1	174,700	0.3
Others	36,213	6.4	37,712	4.1	67,292	2.7	69,000	2.5
TOTAL	431,964	3.0	430,777	0.3	857,167	0.9	858,500	0.2

•Net Premiums by Class

(Units: Yen million, %)

	30 Sep 2003		30 Sep 2004		FY2003		FY2004 Forecast	
		Change %		Change %		Change %		Change %
Fire	39,440	0.8	41,788	6.0	83,737	3.3	89,300	6.6
Marine	2,500	0.8	2,571	2.8	5,251	0.5	5,400	2.8
P.A.	24,991	5.3	25,270	1.1	49,090	1.6	49,300	0.4
Motor	238,718	2.6	231,437	3.0	471,792	3.7	462,500	2.0
CALI	77,926	35.8	78,574	0.8	153,634	16.8	154,900	0.8
Others	35,660	22.9	36,708	2.9	73,089	7.6	66,600	8.9
TOTAL	419,238	0.6	416,351	0.7	836,596	0.0	828,000	1.0

•Net Claims Paid by Class

(Units: Yen million, %)

	30 Sep 2003			30 Sep 2004			FY2003			FY2004 Forecast		
		Loss ratio	Change		Loss ratio	Change		Loss ratio	Change		Loss ratio	Change
Fire	16,808	44.7	1.7	16,886	42.4	2.3	34,182	42.4	5.8	50,600	58.1	15.7
Marine	2,159	90.1	37.9	1,258	50.9	39.2	3,896	76.5	21.5	3,000	57.8	18.7
P.A.	8,546	39.2	1.2	8,044	35.5	3.7	17,790	40.4	2.4	17,700	40.0	0.4
Motor	125,566	57.2	0.3	126,272	59.2	2.0	266,689	61.3	0.9	265,700	62.3	1.0
CALI	29,926	43.3	8.3	40,240	56.1	12.8	64,304	47.1	2.1	88,500	62.3	15.2
Others	39,298	115.5	42.3	37,702	106.6	8.9	84,622	119.9	13.8	76,400	119.2	0.7
TOTAL	222,305	57.5	1.2	230,404	59.6	2.1	471,486	60.8	0.7	501,900	65.0	4.2

NB:Net Loss Ratio (%) = (net claims paid + loss adjusting expenses) ÷ net premium income

3. Premiums & Claims by Class (excl. special factors)

* This data excludes the impact of abolition of the gvt CALI reinsurance scheme and Fortress Re.

• Net Premiums by Class (excl. special factors)

(Units: Yen million, %)

Class \ FY	30 Sep 2003		30 Sep 2004		FY2003		FY2004 Forecast	
		Change %		Change %		Change %		Change %
Fire	39,440	0.8	41,788	6.0	83,737	3.3	89,300	6.6
Marine	2,500	0.8	2,571	2.8	5,251	0.5	5,400	2.8
P.A.	24,991	5.3	25,270	1.1	49,090	1.6	49,300	0.4
Motor	238,718	2.6	231,437	3.0	471,792	3.7	462,500	2.0
CALI	44,019	4.0	44,480	1.0	86,942	4.5	87,700	0.9
Others	32,866	7.5	35,179	7.0	61,389	3.9	64,100	4.4
TOTAL	382,537	2.1	380,728	0.5	758,204	1.9	758,300	0.0

• Net Claims Paid by Class (excl. special factors)

(Units: Yen million, %)

Class \ FY	30 Sep 2003			30 Sep 2004			FY2003			FY2004 Forecast		
		Loss ratio	Change		Loss ratio	Change		Loss ratio	Change		Loss ratio	Change
Fire	16,808	44.7	1.7	16,886	42.4	2.3	34,182	42.4	5.8	50,600	58.1	15.7
Marine	2,159	90.1	37.9	1,258	50.9	39.2	3,896	76.5	21.5	3,000	57.8	18.7
P.A.	8,546	39.2	1.2	8,044	35.5	3.7	17,790	40.4	2.4	17,700	40.0	0.4
Motor	125,566	57.2	0.3	126,272	59.2	2.0	266,689	61.3	0.9	265,700	62.3	1.0
CALI	25,162	65.8	4.1	23,664	61.8	4.0	49,077	65.7	4.8	48,700	64.6	1.1
Others	22,079	73.0	9.6	21,516	65.3	7.7	45,712	79.4	4.7	46,400	77.1	2.3
TOTAL	200,323	57.3	0.2	197,643	56.6	0.7	417,350	59.9	0.3	432,100	61.8	1.9

NB: Net Loss Ratio (%) = (net claims paid + loss adjusting expenses) ÷ net premium income

4. Inwards Reinsurance Premiums & Claims by Class

• Inwards Reinsurance Premiums by Class

(Units: Yen million, %)

Class \ FY	30 Sep 2003		30 Sep 2004		FY2003		FY2004 Forecast	
		Change %		Change %		Change %		Change %
Fire	7,076	0.9	6,578	7.0	14,533	1.2	14,300	1.6
Marine	640	2.1	728	13.6	1,551	4.0	1,500	3.3
P.A.	33	86.6	52	55.9	907	213.7	900	0.9
Motor	6,716	19.5	4,334	35.5	13,460	30.0	9,300	30.9
CALI	57,880	60.4	58,340	0.8	113,937	22.7	115,100	1.0
Others	8,207	58.6	4,010	51.1	14,418	54.9	7,300	49.4
TOTAL	80,556	11.4	74,045	8.1	158,808	1.1	148,400	6.6

• Inwards Reinsurance Claims by Class

(Units: Yen million, %)

Class \ FY	30 Sep 2003			30 Sep 2004			FY2003			FY2004 Forecast		
		Loss ratio	Change		Loss ratio	Change		Loss ratio	Change		Loss ratio	Change
Fire	6,947	98.2	0.2	2,503	38.1	60.1	13,652	93.9	19.6	10,600	74.1	19.8
Marine	1,725	269.2	207.2	630	86.6	182.6	2,673	172.4	72.9	1,000	66.7	105.7
P.A.	33	99.9	31.9	41	-	-	181	20.0	81.9	300	33.3	13.3
Motor	6,334	94.3	28.2	3,668	84.6	9.7	12,407	92.2	24.8	7,700	82.8	9.4
CALI	29,926	51.7	19.2	40,240	69.0	17.3	64,304	56.4	1.2	88,500	76.9	20.5
Others	18,962	231.0	164.1	17,296	431.3	200.3	42,937	297.8	171.0	36,500	500.0	202.2
TOTAL	63,930	79.4	7.6	64,298	86.8	7.4	136,156	85.7	8.9	144,600	97.4	11.7

5. Breakdown of Net Operating Expenses

(Units: Yen million, %)

		30 Sep 2003		30 Sep 2004		FY2003		FY2004 Forecast					
		Change %	% of Premium	Change %	% of Premium	Change %	% of Premium	Change %	% of Premium				
Loss Adjusting	Personnel	47,687	7.7	11.4	46,778	1.9	11.2	96,036	6.3	11.5	94,600	1.5	11.4
+	on-Personnel	36,096	4.6	8.6	34,196	5.3	8.2	77,197	4.3	9.2	76,400	1.0	9.2
Op. Expenses	Tax etc.	6,340	3.4	1.5	6,069	4.3	1.5	10,477	3.1	1.3	10,100	3.6	1.2
& SG&A	TOTAL	90,124	6.2	21.5	87,044	3.4	20.9	183,711	5.3	22.0	181,100	1.4	21.9
Operating expenses and SG&A relating to insurance costs		66,961	7.2	16.0	65,106	2.8	15.6	138,602	5.4	16.6	136,700	1.4	16.5
		71,100	6.9	17.0	69,152	2.7	16.6	141,255	5.0	16.9	138,200	2.2	16.7
Operating Expenses		138,062	7.0	32.9	134,258	2.8	32.2	279,858	5.2	33.5	274,900	1.8	33.2
		(137,870)	(6.3)	(36.0)	(134,235)	(2.6)	(35.3)	(279,516)	(4.7)	(36.9)	(274,800)	(1.7)	(36.2)

NB: Figures in brackets exclude Special Factors (abolition of gvt CALI reinsurance & Fortress Re related impact)

6. Catastrophe Reserves

(Units: Yen million, %)

	30 Sep 2003	FY2003	30 Sep 2004	
	(% of premium)	(% of premium)	(% of premium)	(% of premium)
Fire	62,621 (80.8)	65,587 (79.7)	67,845 (82.6)	5,224 2,257
Marine	3,443 (68.8)	3,370 (64.2)	3,418 (66.5)	24 47
P.A.	25,549 (51.1)	26,969 (54.9)	27,705 (54.8)	2,156 735
Motor	92,456 (19.4)	84,240 (17.9)	93,305 (20.2)	849 9,065
Others	13,963 (19.6)	14,056 (19.2)	15,409 (21.0)	1,445 1,352
TOTAL	198,034 (29.1)	194,225 (28.5)	207,685 (30.8)	9,650 13,459

% of premium = o/s catastrophe reserve ÷ net premium income (excl. dwelling EQ / CALI) × 100

Calculation for the half year based on twice the net premium income(excl.houschold EQ and CALI).

7. Asset Evaluation (Loans)

(Units: Yen million, %)

	30 Sep 2003 (Share)	30 Sep 2004 (Share)	Change (Share)	FY 2003 (W/T)
TOTAL	355,115 (100.0)	342,656 (100.0)	12,458 (-)	352,977 (100.0)
Total non-classified assets	325,883 (91.8)	312,722 (91.3)	13,160 (0.5)	324,433 (91.9)
Total classified assets	29,232 (8.2)	29,934 (8.7)	702 (+0.5)	28,544 (8.1)
Class II	17,941 (5.1)	19,216 (5.6)	1,275 (+0.5)	18,438 (5.2)
Class III	9,564 (2.7)	9,006 (2.6)	558 (0.1)	8,641 (2.4)
Class IV	1,726 (0.5)	1,711 (0.5)	15 (-)	1,463 (0.4)

8. Debt Subject to Risk Control

(Units: Yen million, %)

	30 Sep 2003	30 Sep 2004	Change	FY 2003
Total debt subject to risk control	379	227	151	158
Debts with failed companies	20,093	21,693	1,600	18,314
Debts overdue	763	723	39	642
Debts overdue for more than 3 months	3,941	4,887	946	5,512
Loans with eased conditions	25,177	27,532	2,355	24,627
Loans	355,115	342,656	12,458	352,977
As a proportion of loans	7.1	8.0	0.9	7.0

9. Long-Lived Assets

(Unit: Yen million)

	30 Sep 2003	30 Sep 2004	Change	FY 2003
Long-lived assets	769,598	707,179	62,418	732,168

10. Securities

(1) Latent profit/loss on securities

(Unit: Yen billion)

	30 Sep 2003	30 Sep 2004	FY 2003
Government & corp. bonds	2.4	2.2	3.6
Shares	139.7	172.3	223.8
Overseas securities	16.3	7.4	14.9
Other	0.1	1.3	5.7
TOTAL	126.0	168.5	218.3

Note: Monetary debt purchased is included within 'Other'

(2) Impairment loss on revaluation of securities

(Unit: Yen billion)

	30 Sep 2003	30 Sep 2004	FY 2003
Government & corp. bonds	-	-	-
Shares	1.1	1.3	0.8
Overseas securities	-	-	0.0
Other	-	-	-
TOTAL	1.1	1.3	0.9

11. Other

(1) Losses from Motor Theft

(Unit: Yen billion)

	30 Sep 2003	30 Sep 2004	FY 2003
No. of payments made	3,675	3,302	7,379
Claims paid	3.4	3.2	6.9
Loss reserves	1.3	1.2	1.1

Note: Own portion of contracts where Aioi is the lead insurer (direct basis)

(2) Impact of natural disasters

(Unit: Yen billion)

	30 Sep 2003	30 Sep 2004	FY 2003
Direct claims	1.4	6.5	0.2
Net claims	1.1	6.3	1.6
Outstanding claims*	0.3	14.7	0.0

* Outstanding Claims = net after claims reserves and recoveries